



**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

23 October 29, 2013

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Los Angeles County  
Board of Supervisors

October 29, 2013

Gloria Molina  
First District

Mark Ridley-Thomas  
Second District

Zev Yaroslavsky  
Third District

Don Knabe  
Fourth District

Michael D. Antonovich  
Fifth District

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**AUTHORIZATION TO SIGN PHARMACY AGREEMENTS WITH MEDICARE  
PART D  
PRESCRIPTION DRUG PLAN PROVIDERS  
(SECOND AND FOURTH SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Request approval to sign pharmacy Agreements with Medicare Part D Prescription Drug Plan providers for electronic billing and claims adjudication at two outpatient pharmacy sites in the Department of Health Services; delegate authority to expand the Agreements to other Department of Health Services facilities and enter into future Agreements.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Authorize the Director of Health Services (Director), or his designee, to execute no cost pharmacy Agreements with Medicare Part D Prescription Drug Plan providers (Envision RxOptions, RxAlly and OptumRx), effective upon Board approval (Exhibits I – III) through December 31, 2014.
2. Delegate authority to the Director, or his designee, to expand the Medicare Part D prescription services to additional Department of Health Services (DHS) facility pharmacies, subject to review and approval by County Counsel with notification to the Board and the Chief Executive Office (CEO).
3. Delegate authority to the Director, or his designee, to execute future no cost Medicare Part D Agreements on condition that future Agreements are substantially similar to the recommended Agreements, subject to review and

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Los Angeles, CA 90012

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care to Los Angeles County residents  
through direct services at DHS facilities  
and through collaboration with  
community and university partners.

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approval by County Counsel and notification to the Board and the CEO.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

In approving the recommendations, the Board is authorizing the Director to sign Agreements, substantially similar to Medicare Part D Prescription Drug Plans executed between 2009 to 2012 to continue to be a part of the Medicare Part D provider pharmacy network and dispense medications to low-income and Medi-Cal/ Medicare patients at Martin Luther King, Jr. Multi-Service Ambulatory Care Center (MLK MACC) and Rancho Los Amigos National Rehabilitation Center (RLANRC).

The Centers for Medicare and Medicaid Services (CMS) is the federal agency charged with administering the Medicare Part D Prescription Plan to provide prescription drug coverage program for eligible patients. There are multiple private prescription drug plan providers that contract with CMS to execute the program. These private prescription drug plan providers contract further with retail pharmacies to dispense medications to Medicare Part D patients. Within California, there are over 50 separate Part D plans with different levels of prescription benefits approved to fill Medicare Part D prescriptions, with each having a pharmacy network. These private prescription drug plan providers bid for contracts with CMS annually. DHS reviews these plans every Fall to determine which Part D plans need to be contracted with to assure coverage for low-income and Medi-Cal/Medicare patients at MLK MACC and RLANRC.

To provide continuity of services, DHS plans on continuing Medicare Part D prescription dispensing services at the two sites listed above. Given the billing limitations with the current DHS outpatient pharmacy system, expansion of the Medicare Part D program has not been possible. With the planned installation of the new Cerner Etreby outpatient pharmacy information system pursuant to the agreement which was approved by the Board on April 2, 2013, DHS plans to expand access to Medicare Part D at all installed sites, as the new pharmacy system has superior billing capability, and full functionality to perform Medicare Part D billing at all installed DHS sites.

### **Implementation of Strategic Plan Goals**

The recommended action supports Goal 1, Operational Effectiveness, of the County's Strategic Plan.

### **FISCAL IMPACT/FINANCING**

The estimated costs for continuing services at MLK MACC are \$2,000 and RLANRC are \$2,000 a total of \$4,000. (The cost components consist of maintenance fees for computer software for electronically submitting billing information and a \$0.10 transaction fee per prescription, and the estimated annual yearly transaction fees are \$55 at MLK MACC and \$225 at RLANRC that are incorporated in pharmacy costs.) Program costs will be absorbed within existing resources at each facility.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Each calendar year, CMS releases the approved Medicare Part D prescription plan providers by each state. CMS approves a subset of Medicare Part D plans for low-income and Medi-Cal/Medicare patients at no or low-cost. DHS obtained agreements over the past 4 years from fourteen (14) providers which were reviewed by both DHS and County Counsel. In 2013, three (3) of

the prescription drug plan providers are new and the effective date of coverage is January 1, 2013. All future Agreements obtained from Medicare Part D plan providers for any DHS site will be reviewed by DHS and County Counsel to provide a determination whether the agreement will provide benefit to DHS.

The recommended Agreements are standard agreements for all Medicare Part D participating pharmacies and as such, they do not include the County's required provisions.

County Counsel has approved the attached Agreements, Exhibits I - III, as to form.

### **CONTRACTING PROCESS**

The County must utilize CMS approved prescription providers for Medicare Part D, therefore the County's contracting process is not applicable.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommendations will allow DHS to continue the existing program, and expand it to other sites within DHS as a service enhancement to Medicare patients once the infrastructure is in place.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is stylized with a large, sweeping 'M' and a cursive 'Katz'.

Mitchell H. Katz, M.D.

Director

MHK:rf

Enclosures

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors

# Envision Options

Dear Pharmacist,

We received your request to participate in our networks. In response to your request, attached are the documents required for participation.

**Please complete and return the following documents:**

- RATE SHEET ADDENDUMS
- PARTICIPATING PHARMACY AGREEMENT (PPA)
- CREDENTIALING APPLICATION to include a copy of:
  - Pharmacy State License
  - Pharmacy DEA Certificate
  - Pharmacy Liability Insurance

Any documents not filled out correctly or not returned will result in a delay of your pharmacy participation in our networks.

You can choose to complete the signature page and Exhibit A of the PPA and return in lieu of returning all 14 pages of the PPA. You will receive an executed copy of the PPA and copies of the plan sheet addendums via mail unless otherwise requested.

For a copy of the Participating Pharmacy Handbook go to: <https://www.envisionrx.com/pharmacies/payorsheet.aspx> and select the Pharmacy Handbook link on the left side of the page.

You can either return the documents via fax to: 330-405-8094 (please use included fax cover), email to [emarshall@rxoptions.net](mailto:emarshall@rxoptions.net) or mail to:

**Envision Rx Options, Inc.  
8921 Canyon Falls Blvd,  
Suite 100  
Twinsburg, OH 44087**

Thank You,

Ellen Marshall  
Provider Relations Representative  
Phone: 330-486-4833  
[emarshall@rxoptions.net](mailto:emarshall@rxoptions.net)



# EnvisionRxOptions

**Please initial under the appropriate column(s) to decline participation**

<b>1 - 83 Day Supply</b>					
<b>2012</b>	<b>COMMERCIAL</b>			<b>MEDICARE PART D</b>	<b>Rx SAVINGS PROGRAMS*</b>
	<b>OPEN NETWORK</b>	<b>LIMITED NETWORK ~40,000 pharmacies nationally</b>	<b>EXCLUSIVE NETWORK ~20,000 pharmacies nationally</b>	<b>NATIONAL MEDICARE NETWORK</b>	<b>NATIONAL Rx SAVINGS NETWORK</b>
Brand AWP Discount	17.75%	19.25%	20.25%	17.75%	14.00%
Brand Dispensing Fee	\$0.85	\$0.85	\$0.35	\$0.85	\$2.00
Generic AWP Discount	Lower of MAC or 25%	Lower of MAC or 25%	Lower of MAC or 25%	Lower of MAC or 25%	Lower of MAC or 25%
Generic Dispensing Fee	\$0.85	\$0.85	\$0.35	\$0.85	\$2.00

**Please initial the  
boxes to decline  
participation**

<b>84 + Day Supply</b>					
<b>2012</b>	<b>COMMERCIAL</b>			<b>MEDICARE PART D</b>	<b>Rx SAVINGS PROGRAMS*</b>
	<b>OPEN NETWORK</b>	<b>LIMITED NETWORK ~40,000 pharmacies nationally</b>	<b>EXCLUSIVE NETWORK ~20,000 pharmacies nationally</b>	<b>NATIONAL MEDICARE NETWORK</b>	<b>NATIONAL Rx SAVINGS NETWORK</b>
Brand AWP Discount	23.25%	23.75%	24.25%	23.25%	14.00%
Brand Dispensing Fee	\$0.00	\$0.00	\$0.00	\$0.00	\$2.00
Generic AWP Discount	Lower of MAC or 25%	Lower of MAC or 25%	Lower of MAC or 25%	Lower of MAC or 25%	Lower of MAC or 25%
Generic Dispensing Fee	\$0.00	\$0.00	\$0.00	\$0.00	\$2.00

**Please initial the  
boxes to decline  
participation**

**IN THE EVENT U&C IS LOWER THAN THE CONTRACTED RATE, U&C WILL BE THE BASIS FOR REIMBURSEMENT**

\*The RxSavings Programs add a Professional Service Fee (PSF) in an amount required by the client. Pharmacy shall collect the PSF from participant as part of the purchase price at point of sale. This PSF will be debited from or remitted by the pharmacy for each paid transaction.

NCPDP: \_\_\_\_\_

NPI: \_\_\_\_\_

NETWORK RATE SHEET ADDENDUM

# EnvisionRxOptions

**2012** ADDENDUM CONT.....

## COST SHARING

Pharmacy will charge/apply the correct cost sharing amount, including that which applies to individuals qualifying for the low-income subsidy under Medicare Part D. Cost sharing amounts that must be charged to covered individual / participant will be provided to the pharmacy via the response pricing segment field in the most current NCPDP version.

## PRICING DIFFERENTIAL

Pharmacy will show covered individual the pricing differential between drug purchased and lowest priced therapeutically equivalent or 'bioequivalent' generic drug available. Any pricing information that must be provided to covered individual / participant will be provided to the Pharmacy on-line, via point of sale segment of the most current NCPDP version.

## ADDITIONAL MEDICARE PART D OBLIGATIONS

- **TrOOP:** Under this program, pharmacy agrees to process TrOOP (true out of pocket expenses) as required by CMS. Payment to pharmacy will be according to normal payment cycle for the processed claim. Any pricing information that must be provided to patient will be provided to the pharmacy via point of sale segment in the most current NCPDP version.
- This addendum obligates the pharmacy to abide by State and Federal privacy and security requirements, including the privacy and security provisions stated in 42CFR§423.136 of CMS regulations for this program. Additionally, in accordance with the terms of the program, Pharmacy will:
  - 1) Make their books and records available in accordance with 42CFR§423.505(i)(2).
  - 2) Not hold beneficiary liable for fees that are the responsibility of the Part D Sponsor.
  - 3) Abide by all applicable Federal and State laws and regulations and CMS instructions.
- Any activity or responsibility of the pharmacy may be revoked if CMS or the Part D Sponsor determines the Pharmacy has not performed satisfactorily.
- Pharmacy shall inform beneficiary at the point of sale of the lowest priced generically equivalent drug, if one exists for beneficiary's prescription as well as any associated differential in price.
- Pharmacy performance will be monitored on an ongoing basis by the Part D Sponsor.
- Pharmacy will fill prescriptions, provide reporting and provide all services required to support the Medicare Prescription Drug Benefit program
- Pharmacy will, upon employment of new pharmacy team member, verify and attest that the employee has not been convicted of fraud against the State or Federal Government. Provider will report to EnvisionRxOptions any occurrences.

## IMPORTANT!!

IN ORDER FOR ENVISION TO PROPERLY ADVISE MEMBERS OF YOUR PARTICIPATING STATUS, THIS SHEET MUST BE RETURNED TO US WITHIN TEN (10) WORKING DAYS OF RECEIPT. OUR FAX NUMBER IS (330) 405-8094. THANK YOU FOR YOUR PROMPT RESPONSE.

**Signature of Authorized Representative:** \_\_\_\_\_

"The parties consent to a facsimile signature as the original."

**\*NOTE: Signature of this document indicates pharmacy agrees to participate in all lines of business other than those declined above\***

NAME (typed or printed): \_\_\_\_\_ Email address: \_\_\_\_\_

Pharmacy Name: \_\_\_\_\_

NCPDP: \_\_\_\_\_ NPI: \_\_\_\_\_ Date: \_\_\_\_\_

### (For internal use only)

DATE RECEIVED: \_\_\_\_\_

EFFECTIVE DATE: \_\_\_\_\_

ATTACHED DATE: \_\_\_\_\_ BY: \_\_\_\_\_

# EnvisionRxOptions

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2013 ADDENDUM CONT.....

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  - 1) Make their books and records available in accordance with 42CFR§423.505(j)(2).
  - 2) Not hold beneficiary liable for fees that are the responsibility of the Part D Sponsor.
  - 3) Abide by all applicable Federal and State laws and regulations and CMS instructions.
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NAME (typed or printed): \_\_\_\_\_ Email address: \_\_\_\_\_

Pharmacy Name: \_\_\_\_\_

NCPDP: \_\_\_\_\_ NPI: \_\_\_\_\_ Date: \_\_\_\_\_

### (For internal use only)

DATE RECEIVED: \_\_\_\_\_

EFFECTIVE DATE: \_\_\_\_\_

ATTACHED DATE: \_\_\_\_\_ BY: \_\_\_\_\_



## Participating Pharmacy Agreement

(Including Medicare Part D)

Pharmacy Name: \_\_\_\_\_

NCPDP: \_\_\_\_\_ NPI: \_\_\_\_\_

**2181 East Aurora Road  
Twinsburg, OH 44087**

**Phone: 330-405-8080  
Fax: 330-405-8094**

## **Participating Pharmacy Agreement**

This Participating Pharmacy Agreement (the “Agreement”) is effective the **1st** day of \_\_\_\_\_, 2012 (the “Effective Date”) by and between Rx Options, Inc., an Ohio Corporation, (referred to herein as “PBM”), and \_\_\_\_\_ (referred to herein as “PHARMACY”). (PBM and PHARMACY may also be referred to herein individually as a “Party” and together as the “Parties”).

### **RECITALS**

- A. PBM is a pharmacy benefits management company that provides administrative services to health plans (including Medicare Part D Prescription Drug Plans), employers, and other plan sponsors which provide prescription drug benefits for their Covered Individuals. PBM also provides administrative services on behalf of Envision Pharmaceutical Services, Inc., a commonly-owned PBM. Administrative services include, but are not limited to, the provision and administration of a network of contracted pharmacies.
- B. PHARMACY is a licensed Retail, Specialty, Mail Order, Long Term Care, or Home Infusion Pharmacy doing business through duly licensed pharmacists.
- C. The Parties desire to enter into this Agreement under which PHARMACY will dispense Covered Medications to Covered Individuals as a Participating Provider in PBM’s Pharmacy Network.

### **1. DEFINITIONS**

1.1 “Benefit Plan” means the group health plan, insurance plan, prescription drug plan, or other benefit plan underwritten by a Plan Sponsor that covers the cost of prescription medications or supplies for Covered Individuals.

1.2 “Covered Individual” means an individual entitled to obtain or purchase Covered Medications through PBM’s Pharmacy Network under the terms of PBM’s contract with a Plan Sponsor and the Plan Sponsor’s Benefit Plan.

1.3 “Covered Medications” mean all federal legend medications, insulin, compounds, and any non-prescription medications payable by the Plan Sponsor under the terms of a Benefit Plan. All Covered Medications require a prescription order. Medications which are excluded from coverage are specified by the Plan Sponsor and are communicated to the PHARMACY via PBM’s real-time on-line electronic claims adjudication system (“System”) or through PBM correspondence.

1.4 “CMS” means the federal Centers for Medicare and Medicaid Services, the agency which administers the Medicare and Medicaid Programs.

1.5 “ID Card” means the identification card provided the Covered Individual by either PBM or a Plan Sponsor, which indicates that the individual has access PBM’s Pharmacy Network.

1.6 “Participating Provider” means the PHARMACY specified above which will be identified to Plan Sponsors and Covered Individuals as being a participant in PBM’s Pharmacy Network.

1.7 “Pharmacy Network” means the national network of contracted pharmacies which is being made available by PBM to Covered Individuals to obtain or purchase Covered Medications.

1.8 “Plan Sheets” mean the addendums attached to this Agreement which specify the financial terms for reimbursement to the PHARMACY.

1.9 “Plan Sponsor” means the health plan, employer, union, trust, or other entity that underwrites a Benefit Plan covering the cost of prescription medications and has contracted with PBM to administer the pharmacy benefits covered by such Benefit Plan. A Plan Sponsor which is under contract with CMS shall be referred to herein as a “Medicare Plan Sponsor”.

## 2. OBLIGATIONS OF PHARMACY

2.1 Engagement: PBM hereby engages PHARMACY, and PHARMACY hereby agrees to such engagement, to provide the services specified herein as a Participating Provider in PBM’s Pharmacy Network, in accordance with the terms of this Agreement. PHARMACY’s identifying information is provided in Exhibit “A” attached hereto.

2.2 Dispensing of Drugs: Subject to the verification requirements (Section 2.3 below), PHARMACY shall dispense Covered Medications to a Covered Individual in accordance with the terms of the applicable Benefit Plan as communicated to PHARMACY via PBM’s System and in accordance with the negotiated prices set forth in the applicable Plan Sheet.

2.3 Verification: Prior to dispensing Covered Medications to a Covered Individual, PHARMACY agrees to verify whether an individual is a Covered Individual by performing the following: (i) Reviewing a valid ID Card to determine the Covered Individual’s current Benefit Plan information (except for Mail Order pharmacies); and (ii) verifying the person’s eligibility for Covered Medications under the Benefit Plan by use of PBM’s System. PHARMACY shall not be entitled to reimbursement for the costs of any medication dispensed that is not a Covered Medication or to a person who is not a Covered Individual.

2.4 Co-Payments and Deductibles: PHARMACY agrees to collect from each Covered Individual the applicable co-payment, co-insurance, and/or deductible amount on each prescription order. PHARMACY shall determine the applicable co-payment, co-insurance, and/or deductible amounts through use of PBM’s System. PHARMACY agrees that it shall not waive any obligation on the part of a Covered Individual to make a co-payment, co-insurance,

and/or deductible payment. In the event the negotiated price or PHARMACY's usual and customary retail price for a prescription drug is less than the co-payment, co-insurance, and/or deductible, PHARMACY will charge the Covered Individual the lesser of the negotiated price or the usual and customary retail price.

2.5 Professional Standards: PHARMACY shall be solely responsible for the quality of services PHARMACY renders to Covered Individual, which services shall meet professionally recognized standards of pharmacy practice. PHARMACY will be responsible for utilizing professional judgment in evaluating and identifying any medical contraindications in the prescribed medication and in identifying any Covered Individual who may be abusing prescription medications. Neither PBM, its affiliates, agents, consultants, employees nor participating organizations, either solely or collectively, are the agent or representative of PHARMACY, and none of them shall be liable for any act or omission of PHARMACY or its agents, employees, or other persons performing services for or at the request of PHARMACY. The operation and maintenance of the pharmacies, facilities and equipment and the rendition of all services shall be solely under the control and supervision of PHARMACY.

2.6 Licensure: PHARMACY represents and warrants that it is appropriately licensed and in good standing according to state and federal law to dispense prescription medications to the public and to Medicare beneficiaries, and shall maintain such licenses in good standing throughout the term of this Agreement. If PHARMACY's license is terminated or suspended, PHARMACY shall immediately notify PBM. PHARMACY further represents and warrants that its pharmacists are appropriately licensed and in good standing according to state and federal law to dispense prescription medications to the public. PHARMACY agrees to provide PBM with a copy of any license upon request.

2.7 Credentialing: PHARMACY understands that PBM maintains a process by which certain credentials of the PHARMACY (e.g. license, DEA number) are recorded by PBM and attested to by the PHARMACY at the commencement of this Agreement and periodically thereafter, as set forth in more detail in the Participating Pharmacy Handbook. PHARMACY agrees to provide copies of such credentials to PBM and attest to their authenticity as reasonably requested by PBM.

2.8 Cooperation. PHARMACY shall provide at least one individual to serve as the liaison with PBM for communication purposes and resolution of any problems. PHARMACY agrees to promptly resolve any problems that may arise and cooperate with PBM in investigating and resolving any complaints from Covered Individuals.

2.9 Participating Pharmacy Handbook. PHARMACY agrees to maintain compliance with the conditions of participation and dispute resolution provisions contained in the Participating Pharmacy Handbook. The Participating Pharmacy Handbook will be supplied to PHARMACY at the commencement of this engagement and updated periodically by PBM. PHARMACY shall promptly notify PBM in writing of any provision of the Participating Pharmacy Handbook that PHARMACY is not able or willing to comply with. Upon receipt of such notification, the Parties will meet to negotiate a resolution, in good faith. If a resolution



cannot be reached, such provision shall not apply to PHARMACY, however, PBM may terminate this Agreement upon thirty (30) days written notice.

2.10 Subcontractors. PHARMACY may not use subcontractors to carry out its obligations hereunder without the prior written approval of PBM. PHARMACY will be required to execute a contract with subcontractors that includes provisions substantially similar to the provisions of this Agreement. PHARMACY will provide PBM with a copy of the contract form to be used with subcontractors.

2.11 Non-Discrimination. PHARMACY shall not discriminate against customers with respect to a person's age, gender, race, disability, ethnic group, national origin, or making a distinction in favor of or against, a person or thing based on the group, class or category to which that person or thing belongs rather than on individual merit. Additionally, PHARMACY shall not discriminate against customers as it related to health care such as accepting only patients from within a product line based upon high reimbursement rate and excludes other patients within that same product line based upon lower reimbursement rate.

2.12 Red Flags Rule. PHARMACY agrees to maintain procedures to detect and prevent identity theft pursuant to the regulations promulgated by the Federal Trade Commission, known as the Red Flags Rule.

### 3. BILLING AND PAYMENT

3.1 Compensation. For Covered Medications dispensed to Covered Individuals under the terms of this Agreement, PHARMACY shall be reimbursed in accordance with the financial terms for reimbursement set forth in Plan Sheets attached to this Agreement. PHARMACY agrees to accept such reimbursement as payment in full for Covered Medications.

3.2 Claims. PHARMACY shall, within three (3) days of compounding or dispensing a Covered Medication to a Covered Individual, submit online to PBM via PBM's real-time on-line electronic claims adjudication system ("System"), a claim for payment in NCPDP format (except in cases where the PHARMACY submits claims via batch processing or, in the case of a Medicare Part D beneficiary, the beneficiary expressly requests that a claim not be submitted to the insurer). PHARMACY shall bill PBM using the 11 digit National Drug Code (NDC) number for the drug dispensed. PHARMACY must submit as part of the pricing information submitted for each prescription, its usual and customary price (U&C) and submitted ingredient cost. PBM shall not be liable for any transmission charges for claims data. Along with such claim, PHARMACY shall submit to PBM or its designated processor the following information: (i) The Covered Individual's name; (ii) identification number; (iii) group number (for Covered Individuals under a group plan contract); (iv) service date; (v) pharmacy NABP or NPI number with service provider qualifier; (vi) prescription number; (vii) NDC number; (viii) quantity dispensed; (ix) estimated days' supply; (x) prescribing practitioner's DEA or NPI number and prescribing provider qualifier; (xi) Average Wholesale Price (AWP), Wholesale Acquisition Cost (WAC), or such other pricing methodology as has been adopted by the industry; (xii) dispensing fee as described in the Plan Sheets attached to this Agreement; and (xiii) copayments, deductibles or coinsurance collected from Covered Individuals.

3.3 Payments. PBM will pay PHARMACY claims on a monthly basis from funds provided to PBM by Plan Sponsors. The ultimate guarantor of payments to PHARMACY for Covered Medications is the Plan Sponsor covering the Covered Individual to whom the PHARMACY dispensed the Covered Medications. PBM is neither a guarantor nor a surety with respect to obligations of the Plan Sponsor to the PHARMACY. PBM shall not have any financial responsibility, obligation or liability to the PHARMACY for the payment of drugs or services provided to a Covered Individual except to the extent that PBM has received payments from the Plan Sponsor.

3.4 Refunds. PHARMACY shall refund to PBM any monies paid to PHARMACY under the following circumstances: (i) Duplicate Payment – If PBM makes a payment to PHARMACY for drugs when PHARMACY has already received reimbursement from PBM or any other source for those same drugs, then PHARMACY shall refund PBM an amount equal to the duplicate payment; (ii) Non Covered Individual – If PBM makes a payment to PHARMACY for drugs when PHARMACY failed to verify the eligibility status of any individual as required under Section 2.2 and the individual to whom the drugs were provided was not a Covered Individual, then PHARMACY shall refund PBM an amount equal to the payment made to the PHARMACY for the identified drugs; (iii) Overpayments – If PBM makes an overpayment to PHARMACY for any reason, then PHARMACY shall refund PBM an amount equal to the overpayment; and (iv) Errors – If PBM makes an incorrect payment for any reason, then PHARMACY shall refund PBM an amount equal to the incorrect payment. PHARMACY shall refund all amounts owed to PBM under this Section within fourteen (14) days after PHARMACY receives notice of PBM's request for refund or the date PHARMACY discovers that a refund is owed to PBM, whichever is earlier. If PHARMACY fails to make such refund, then PBM may withhold any amount equal to the refund owed to PBM for any payments due PHARMACY.

3.5 Modification for Material Change in Pricing Methodology: If Medi-Span, First Data Bank, or another applicable industry standard reference on which pricing hereunder is based (i.e. Average Wholesale Price), changes the methodology for determining drug price in a way that materially changes the pricing or economics of this Agreement ("Methodology Change"), the Parties shall negotiate in good faith to modify the pricing terms to preserve, to the extent possible, the relative economics as existed prior to such change. PBM shall notify PHARMACY of a Methodology Change at least ninety (90) days prior to the effective date of such change. In the event the Parties do not mutually amend this Agreement in accordance with this Section 3.5 prior to the effective date of a Methodology Change, the reference values used to set the prices hereunder shall be fixed as of the day prior to the Methodology Change for the duration of this Agreement.

#### 4. TERM AND TERMINATION

4.1 Term. This Agreement shall become effective on the Effective Date above and shall remain in effect until terminated as provided below.

4.2 Termination For Cause. Either Party may terminate this Agreement in the event the other Party breaches any of its material obligations hereunder; provided, however, that the defaulting Party shall have thirty (30) days to correct such breach after written notice is given by such non-breaching Party specifying the alleged breach. A material breach shall include, but is not limited to: (i) Failure to perform any obligation or duty under this Agreement; (ii) failure of PHARMACY to maintain all licenses required by federal or state law; (iii) exclusion of the PHARMACY or a PHARMACY employee from the Medicare or Medicaid Program; or (iv) commission of an act of fraud or abuse.

4.3 Suspension. Notwithstanding the period to correct a breach as stated above, PBM may temporarily suspend PHARMACY from PBM's Pharmacy Network for the following reasons: If the PHARMACY (i) poses a significant risk to the health, welfare, or safety of members; (ii) promotes or commits fraud and abuse; (iii) is excluded from the Medicare or Medicaid Program, or (iv) commits and act or omission that is contrary to the conditions of participation set forth in the Participating Pharmacy Handbook.

4.4 Termination Without Cause. Either Party may terminate this Agreement effective ninety (90) days from delivery of written notice to the other Party.

4.5 Insolvency. By either Party in the event the other Party (i) is adjudicated insolvent, under state and/or federal regulation, or the makes an assignment for the benefit of creditors; (ii) files or has filed against it, or has an entry of an order for relief against it, in any voluntary or involuntary proceeding under any bankruptcy, insolvency, reorganization or receivership law, or seeks relief as therein allowed, which filing or order shall not have been vacated within sixty (60) calendar days from the entry thereof; (iii) has a receiver appointed for all or a substantial portion of its property and such appointment shall not be discharged or vacated within sixty (60) calendar days of the date thereof; (iv) is subject to custody, attachment or sequestration by a court of competent jurisdiction that has assumed of all or a significant portion of its property; or (v) ceases to do business or otherwise terminates its business operations, is declared insolvent or seeks protection under any bankruptcy, receivership, trust deed, creditors arrangement or similar proceeding

4.6 Effect of Termination. Termination of this Agreement for any reason shall not release any Party from obligations incurred under this Agreement prior to the date of termination. All services required to be performed under the terms of this Agreement shall be provided until and on the effective date of termination.

## 5. RECORDS

5.1 Maintenance of Records. PHARMACY agrees to maintain required and appropriate records, including original prescriptions, related to the services rendered to Covered Individuals. Should PHARMACY alter the original format of said documentation (e.g., by converting hard copy documents to electronic documents, or electronic documents to microfiche), all information contained in the original documents shall be contained in the new format, without change or deletion.

5.2 Audits. PHARMACY agrees to permit appropriate state and federal regulators, CMS, PBM, Plan Sponsors, or their independent third party auditors, direct access to PHARMACY's books, records, and premises for the purpose of conducting an on-site audit, if requested, to ensure compliance with the terms of this Agreement. For Covered Individuals of Medicare Plan Sponsors, PHARMACY agrees to make its books and other records available in accordance with 42 CFR 423.505(e)(2) and 42 CFR §423.505(i)(2), which generally states these regulations give CMS, the HHS Comptroller General, or their designees the right to audit, evaluate and inspect any books, contracts, records, including medical records and documentation related to CMS' contract with the Medicare Plan Sponsor, and that these rights continue for a period of 10 years from the final date of the contract between CMS and the Medicare Plan Sponsor or the date of audit completion, whichever is later. The ten year period for retention and access to records may be extended if: (i) CMS determines that there is a special need to retain a particular record or group of records for a longer period and CMS provides notice at least thirty (30) days before the normal disposition date; (ii) CMS determines that there has been a termination, dispute, fraud or similar fault, in which case the retention may be extended to six (6) years from the date of any resulting final resolution of the matter; or (iii) CMS determines that there is a reasonable possibility of fraud, in which case it may perform the inspection, evaluation or audit at any time. PHARMACY further agrees that, in accordance with 42 CFR 423.505(i)(3), any books, contracts, records, including medical records and documentation relating to the Part D program will be provided to either the Medicare Plan Sponsor to provide to CMS or will be provided directly to CMS or its designees. Further, PHARMACY agrees that if it does not respond to PBM's (or PBM's agent's) desk audit requests within thirty (30) days of the date of request, the dollar amount for the claims associated with the desk audit shall be reimbursed to PBM and the associated amount withheld from the next payment to PHARMACY. The provisions of this Section 5.2 shall survive the expiration or termination of this Agreement for any reason.

## 6. CONFIDENTIALITY

6.1 HIPAA Compliance. PHARMACY agrees to abide by State and Federal privacy and security requirements, including the confidentiality and security provisions stated in the Medicare regulations at 42 CFR §423.136. Further, when and to the extent applicable, and for so long as required by provisions of the Standard for Privacy of Individually Health Information; Final Rule: 45 CFR Parts 160 and 164, Security Standards; Final Rule: CFR Parts 160, 162, and 164 and the regulations promulgated there under, all as amended from time to time (collectively, HIPAA), but not otherwise, each Party will appropriately safeguard all Protected Health Information (as such term is defined in HIPAA) in compliance with HIPAA. Each Party agrees that it shall indemnify and hold the other Party harmless from any liabilities, losses, damages, injunctions, suits, actions, fines, penalties, claims or demands of any kind or nature by or on behalf of any person, party or governmental authority arising out of or in connection with any breach by it if its obligations under this Section 6.1.

6.2 Confidential Information. The Parties agree that any information that may be exchanged between the Parties, including this Agreement, the Plan Sheets, and the financial terms for reimbursement, shall be kept confidential. Each Party shall only use information it receives from the other Party to carry out the purposes of this Agreement, and to allow PBM to

fulfill its obligations to the Plan Sponsors including, without limitation, the right of Plan Sponsors to audit its claims and PBM's vendor contracts. Each Party shall take reasonable steps to prevent the intentional or unintentional release or use of this information for purposes other than those set forth in this Agreement.

## 7. HOLD HARMLESS

7.1 As to PBM. PHARMACY agrees to hold PBM harmless and defend PBM against any loss, cost, damage, claim or suit arising out of or in connection with any acts or omissions on the part of the PHARMACY, its employees, or agents.

7.2 As to Covered Individuals. Except for applicable co-payments, co-insurance or deductibles, PHARMACY shall not collect or attempt to collect from Covered Individuals any amounts for drugs dispensed to any Covered Individual that are the responsibility of the Plan Sponsor.

## 8. MEDICARE PROVISIONS (For services rendered to Covered Individuals enrolled in a Medicare Plan Sponsor.)

8.1 TrOOP (True Out-of-Pocket Expenses). PHARMACY agrees to process TrOOP expenses as required by CMS. Any pricing information that must be provided to the Covered Individual will be communicated to PHARMACY via point of sale in Segment AM21 field 526FQ of NCPDP version 5.1.

8.2 Cost Sharing. PHARMACY will charge/apply the correct cost sharing amount, including that which applies to Covered Individuals qualifying for the low-income subsidy. Cost sharing amounts that must be provided to the Covered Individual will be communicated to the PHARMACY via the response pricing Segment field 505-F5 patient pay amount of the NCPDP Version 5.1.

8.3 Pricing Differential. PHARMACY will inform Part D enrollees at the point of sale (or at the point of delivery for mail order drugs) of the lowest-priced, generically equivalent drug, if one exists for the beneficiary's prescription, as well as any associated differential in price

8.4 Compliance. PHARMACY agrees to fill prescriptions, provide reporting, and provide all services required to support the Medicare Prescription Drug Benefit program, and to abide by all applicable federal and state laws and regulations and CMS instructions. PHARMACY understands that its performance will be monitored on an ongoing basis by PBM and Medicare Plan Sponsors. Any activity or responsibility of the PHARMACY may be revoked as to a Medicare Plan Sponsor if CMS or the applicable Medicare Plan Sponsor determines the PHARMACY has not performed satisfactorily.

8.5 Long Term Care Pharmacy. If PHARMACY is a pharmacy located in, or having a contract with, a long-term care facility, the PHARMACY shall submit claims for reimbursement within 90 days of receipt of a claim.

8.6 Home Infusion. If PHARMACY is a Home Infusion pharmacy, PHARMACY shall ensure that the professional services and ancillary supplies are in place before dispensing home infusion drugs, and shall ensure that it is capable of providing delivery of home infusion drugs within 24 hours of a Medicare Covered Individual's discharge from an acute care setting, or later if so prescribed.

8.7 E-Prescribing. If PHARMACY participates in the electronic prescription drug program, that is, if a PHARMACY transmits and/or receives prescription and prescription-related information using electronic media for Part D covered drugs for Part D eligible individuals, then PHARMACY shall comply with the e-prescribing standards most recently adopted under section 1860D-4(e)(3) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. PBM agrees to comply with the most recently adopted e-prescribing standards if PHARMACY participates in e-prescribing.

8.8 Pricing Standard. PBM shall, not less frequently than once every 7 days, update its pricing standard (Medi-Span) to accurately reflect the market price of acquired drugs.

8.9 Medicare Notice. PHARMACY agrees to post, or distribute to Medicare Covered Individuals, Medicare notices regarding procedures for obtaining a coverage determination or requesting an exception under the Part D program in accordance with 42 CFR §423.562(a)(3). Upon reasonable request by PBM, PHARMACY agrees to attest to its compliance with this provision.

8.10 Fraud, Waste and Abuse Training: PHARMACY agrees to conduct Fraud, Waste, and Abuse training of its pharmacists and employees engaged in delivering any Medicare services, as required by Medicare regulations. Upon reasonable request by PBM, PHARMACY agrees to attest to its compliance with this provision.

8.11 Minimum Standards. PHARMACY agrees to comply with applicable minimum standards for pharmacy practice as established by the state in which the PHARMACY is located.

8.12 Payment of Clean Claims. In accordance with 42 CFR §423.520, effective January 1, 2010, PBM will issue, mail, or otherwise transmit payment with respect to all clean claims (as defined in 42 CFR §423.520(b)) submitted by PHARMACY within 14 days after the date on which the claim is received, for an electronic claim, or within 30 days after the date on which the claim is received, for any other claim. PBM is not obligated to comply with these payment timeframes if PHARMACY is a pharmacy located in, or having a contract with, a long-term care facility, or if PHARMACY is a mail order pharmacy.

## 9. GENERAL PROVISIONS

9.1 Independent Contractors. PHARMACY shall perform all professional and other services under the terms of this Agreement as an independent contractor. Nothing contained in this Agreement shall be construed to create an employment or agency relationship between PBM and PHARMACY.

9.2 Non-Exclusive. This Agreement is a non-exclusive agreement for the provision of pharmaceutical services. Either Party may, at any time, enter into any other agreement to dispense drugs or conduct other business with any other party.

9.3 Use of Name. PBM and Plan Sponsors may list the name of PHARMACY in their respective directories of Participating Pharmacies. No other use or display of either Party's name or marks may be used without prior consent.

9.4 Insurance. PHARMACY shall, at all times, maintain professional liability insurance on its employees or agents in the minimum amount of \$1,000,000 per occurrence and \$3,000,000 in the aggregate of all claims per policy year. PHARMACY shall deliver to PBM 30 days after the effective date of this Agreement, certificates of insurance or other evidence of insurance reasonably satisfactory to PBM confirming this insurance is in effect. PBM shall be provided not less than thirty days advance notice of any cancellation, non-renewal or material change in insurance coverage.

9.5 Dispute Resolution. Any controversy, claim or dispute arising out of or relating to this Agreement or the breach thereof, whether in tort or in contract, in law or in equity, shall be exclusively settled by binding arbitration in accordance with the commercial rules of the American Arbitration Association then in effect. The arbitration shall be conducted in Cleveland, Ohio. The decision of the arbitrator shall be final and binding, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. All such arbitration proceedings shall be conducted on a confidential basis.

9.6 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Ohio without regard to its conflict of laws and rules, except to the extent such laws are preempted by applicable Federal law.

9.7 Entire Agreement. This Agreement, including all present and future Plan Sheets, represents the entire understanding of the Parties with reference to the matters contained herein and it supersedes all prior agreements or understandings, written or oral with respect to the subject matter of this Agreement. No other prior or contemporaneous agreement or understanding, whether oral or written, shall be valid.

9.8 Amendments. This Agreement, including the financial terms for reimbursement set forth in Plan Sheets attached to this Agreement, may be amended by PBM upon thirty (30) days written notice to PHARMACY before the effective date of the amendment. The amendment shall take effect on the effective date unless PBM receives notice in writing before the effective date of the amendment from the PHARMACY objecting to the proposed Amendment. PHARMACY may amend this Agreement if PHARMACY obtains PBM's written consent to such amendment. Absent written consent, PBM's continued performance of its obligations under the terms of this Agreement is not to be construed as a ratification or acceptance of PHARMACY's proposed amendment.

9.9 Severability. If any term or provision of this Agreement is found to be unenforceable, illegal, or void, then the remainder of this Agreement shall remain in full force and effect.

9.10 Headings. The section or paragraph headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

9.11 Assignment. PHARMACY may not assign or delegate any duties, rights or obligations under this Agreement to any other person or entity without having first obtained the written consent of PBM.

9.12 Notices. Any notice required to be sent by one Party to the other hereunder shall be in writing and may be sent to the other Party by mail or courier at the address first written above, and/or e-mail or telefax; provided, however, that it shall be the burden of the sending Party to establish that the receiving Party, in fact, received the notice.

IN WITNESS WHEREOF, each of the Parties have caused this Agreement to be duly executed as of the Effective Date above.

PHARMACY:

PBM:

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
Print Name & Title

\_\_\_\_\_  
Print Name & Title



EXHIBIT A

PHARMACY INFORMATION

(If PHARMACY is chain, please indicate so by checking here ☐ and complete this information below for primary location.)

Type of Pharmacy:

☐ Retail ☐ Mail Order ☐ Specialty

☐ Long Term Care ☐ Home Infusion

☐ Other: \_\_\_\_\_

Contact: \_\_\_\_\_

Phone No: \_\_\_\_\_

E-Mail: \_\_\_\_\_

Fax No: \_\_\_\_\_

NCPDP Chain Code: \_\_\_\_\_

NABP No: \_\_\_\_\_

NPI No: \_\_\_\_\_

Tax ID No: \_\_\_\_\_

DEA No: \_\_\_\_\_

License No: \_\_\_\_\_

Medicaid No: \_\_\_\_\_

Pharmacy Remit To Address:

\_\_\_\_\_  
\_\_\_\_\_

ABA Bank Routing Number on Account:

\_\_\_\_\_

Account No. of Bank Account to Credit:

\_\_\_\_\_

Name of Bank: \_\_\_\_\_

\_\_\_\_\_

If PHARMACY is a Disadvantaged Business Enterprise (DBE), please provide certification letter.

Store Hours: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## Request for Taxpayer Identification Number and Certification

Give form to the  
requester. Do not  
send to the IRS.

Print or type See Specific Instructions on page 2.	Name	
	Business name, if different from above	
	Check appropriate box: <input type="checkbox"/> Individual/ Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other ▶ .....	<input type="checkbox"/> Exempt from backup withholding
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
List account number(s) here (optional)		

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN).  
**However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3.** For other entities, it is your employer identification number (EIN). If you do not have a number, see **How to get a TIN** on page 3.

**Note:** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number								
			+		+			
or								
Employer identification number								
	+							

### Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), **and**
2. I am not subject to backup withholding because: **(a)** I am exempt from backup withholding, or **(b)** I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or **(c)** the IRS has notified me that I am no longer subject to backup withholding, **and**
3. I am a U.S. person (including a U.S. resident alien).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign  
Here

Signature of  
U.S. person ▶

Date ▶

### Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

**U.S. person.** Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

**Note:** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Foreign person.** If you are a foreign person, use the appropriate Form W-8 (see **Pub. 515**, Withholding of Tax on Nonresident Aliens and Foreign Entities).

### Nonresident alien who becomes a resident alien.

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

## Pharmacy Attestation of Completed FWA Training

You are receiving this attestation because you are a contracted pharmacy (through Rx Options, Inc.) for EnvisionRx Plus, a CMS approved Prescription Drug plan. In accordance with the pharmacy contract, you have agreed to conduct Fraud, Waste, and Abuse (FWA) training of your pharmacists and pharmacy employees engaged in delivering any Medicare services, as required by Medicare regulations (42 C.F.R. § 423.504 (b)(4)(vi)), and attest to your compliance with this provision.

You may use EnvisionRx Plus' Pharmacy FWA Training module found on our website at <http://www.envisionrxplus.com/en/healthdruginfo/providerinfo.aspx> to meet this requirement, or you may use another FWA training module, provided it covers the following minimum topics:

- Laws and regulations related to Medicare Part D FWA,
- Your obligation to maintain appropriate policies and procedures regarding detecting, preventing and reporting potential Part D FWA,
- Your obligations to assure employees who report suspected FWA are protected from reprisals,
- Types of FWA associated with Medicare prescription drug coverage,
- Resources for reporting suspected FWA.

By signing this attestation you are certifying that all pharmacists and pharmacy employees engaged in delivering Medicare services have completed EnvisionRx Plus' Pharmacy FWA Training module or another FWA training module that covers the minimum topics listed above, **OR** that you are deemed for this requirement due to your enrollment into the Medicare program or accreditation as a Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) as provided in the Medicare regulations at 42 C.F.R. § 423.504 (b)(4)(vi)(C).

(Please insert the name of the pharmacy or pharmacy organization in the blank space provided below).

We, \_\_\_\_\_ do hereby attest for calendar year \_\_\_\_\_ that we have satisfied this requirement by one of the two options checked below.

**Please check only one of the two options below.**

☐

We are **deemed** to have met this requirement due to enrolling in a Medicare program or accreditation as a DMEPOS provider.

Or

☐

The personnel within our organization who are involved with the administration and delivery of Medicare Part D benefits have completed EnvisionRx Plus' Pharmacy FWA Training, or a similar training that meets the minimum criteria listed above.

---

Print Name of responsible person

Pharmacy Name/Chain and NCPDP#

---

Signature of responsible person

Date

Once you have completed and signed this attestation, please return it using one of the two sources listed below.  
Thank you!

- Fax to (330) 486-6390
- Email to [FWA\\_Attestations@envisionrx.com](mailto:FWA_Attestations@envisionrx.com)

**To Report Suspected FWA to Envision:**  
Email [complianceofficer@envisionrxplus.com](mailto:complianceofficer@envisionrxplus.com), or  
Call the FWA hotline @ (866) 417-3069

## Attachment A

APPROVED OMB #0938-0975

### MEDICARE PRESCRIPTION DRUG COVERAGE AND YOUR RIGHTS

You **have the right to request a coverage determination and get a written explanation** from your Medicare drug plan if:

- Your prescriber or pharmacist tells you that your Medicare drug plan will not cover a prescription drug in the amount or form prescribed; or
- You are asked to pay a different cost-sharing amount than you think you are required to pay for a prescription drug.

You **also have the right to ask** your Medicare drug plan **for an exception** (a special type of coverage determination) **and get a written explanation** from your Medicare drug plan if:

- You believe you need a drug that is not on your drug plan's list of covered drugs. The list of covered drugs is called a "formulary;"
- You believe a coverage rule (such as prior authorization or a quantity limit) should not apply to you for medical reasons; or
- You believe you should get a drug you need at a lower cost-sharing amount.

#### **What you need to do:**

- Contact your Medicare drug plan to ask for a coverage determination, including an exception request.
- Refer to the benefits booklet you received from your Medicare drug plan or call 1-800-MEDICARE to find out how to contact your drug plan.
- When you contact your Medicare drug plan, be ready to tell them:
  1. The prescription drug(s) that you believe you need. Include the dose and strength, if known.
  2. The name of the pharmacy or prescriber who told you that the prescription drug(s) is not covered.
  3. The date you were told that the prescription drug(s) is not covered.

The Medicare drug plan's written explanation will give you the specific reasons why the prescription drug is not covered and will explain how to request an appeal if you disagree with the drug plan's decision.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-0975. The time required to complete this information collection is estimated to average one minute per response, including the time to select the preprinted form, and hand it to the enrollee. If you have any comments concerning the accuracy of the time estimates or suggestions for improving this form, please write to CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

## Medicare Prescription Drug Coverage and Your Rights

We, \_\_\_\_\_ (Pharmacy/Chain Name) do hereby attest that our pharmacy understands and agrees to post the *Medicare Prescription Drug Coverage and Your Rights* notice in our pharmacy and to distribute the notice to enrollees each time a member is denied coverage or disagrees with cost-sharing information

We agree -

- 1) This notice must be posted in a visible place at the pharmacy
- 2) This notice will be distributed to enrollees each time a member is denied coverage or disagrees with cost-sharing information.
- 3) This notice may not be altered in any way, except to increase the dimensions and/or font. Content of the notice must remain the same.

Please fill out the attestation to the above statement and **fax back to (330) 405-8094** immediately.

Print Name of Responsible Person	Date
Signature of Responsible Person	NCPDP/CHAIN #
Pharmacy/Chain name	
Address	
City, State    Zip	

For additional copies of this form, you can visit [www.rxoptions.net](http://www.rxoptions.net).

Any Medicare Network Pharmacy found to be out of compliance with the notice requirement will be provided an opportunity to become compliant and provide proof of such. If after a reasonable amount of time such Medicare Network Pharmacy has failed to provide proof of compliance, the pharmacy may be subject to the organization's suspension policies.

# EnvisionRxOptions: Credentialing Verification Forms

Please answer all questions by typing or printing legibly.

Please attach current copies of the following:

- Pharmacy License
- Pharmacy DEA
- Pharmacy Liability Insurance

*Space for Internal Use Only*

## General Pharmacy Information

NCPDP #:	NPI #:
Pharmacy Legal Name:	DBA Name (if different than legal name):
Store # (if applicable):	Chain/PSAO Affiliation? <input type="checkbox"/> Yes <input type="checkbox"/> No Code:
Street Address:	Building/Suite #:
City:	County:
State:	ZIP (please include Zip +4):
Pharmacy Telephone #:	Pharmacy Fax #:

### Pharmacy CLASS:

- ☐ Independent ☐ PSAO ☐ Hospital ☐ Clinic ☐ Franchise ☐ Government/Federal  
☐ Other \_\_\_\_\_

### Pharmacy TYPE (check one or more):

- ☐ Retail ☐ IHS ☐ Dispensing Physician ☐ Home Infusion ☐ State Hospital ☐ Institution  
☐ Clinic Pharmacy ☐ Other: \_\_\_\_\_

☐ LTC (If checked please attach a list of all facilities served, showing Name, Address, and NPI)

**LTC Pharmacy Only:** Is your pharmacy an Onsite LTC Pharmacy? ☐ Yes ☐ No

### Services Provided (check all that apply):

- |  |   |
|--|---|
| Open 24 Hours? <input type="checkbox"/> Yes <input type="checkbox"/> No                        | <input type="checkbox"/> Mail Order <input type="checkbox"/> Specialty Drugs <input type="checkbox"/> Compounding                             |
| On call emergency prescriptions? <input type="checkbox"/> Yes <input type="checkbox"/> No      | <input type="checkbox"/> Hospice <input type="checkbox"/> Drug Dependency <input type="checkbox"/> Assisted Living                            |
| Handicap accessible? <input type="checkbox"/> Yes <input type="checkbox"/> No                  | <input type="checkbox"/> Flu Shots/ Vaccines <input type="checkbox"/> Translation Services  |
| Open to the general public? <input type="checkbox"/> Yes <input type="checkbox"/> No           | <input type="checkbox"/> Diabetes <input type="checkbox"/> E-prescribing <input type="checkbox"/> Free Delivery <input type="checkbox"/> 340B |
| Language(s) Fluently Spoken: <input type="checkbox"/> English <input type="checkbox"/> Spanish | <input type="checkbox"/> SNF <input type="checkbox"/> Refill Notification <input type="checkbox"/> Other _____                                |
| <input type="checkbox"/> Other(s): _____   | _____   |
| _____  | _____   |

## Current Professional Liability Insurance

Please attach copy of current certificate—certificate must list pharmacy's name and insurance limits.

Insurance Carrier:	State:	
Policy #:	Policy Effective Date:	Policy Expiration Date:
EnvisionRxOptions requires pharmacies to carry professional liability with 1million/3million limits.	Occurrence Limits:	Aggregate Limits:

## Primary License Information

Please attach current copies of each. Envision will verify licenses including history of State Board Actions.

Type	State	Number	Issue Date	Expiration Date
Pharmacy License:				
DEA Certificate:				
CDS Certificate (if applicable):				

Additional States Licensed in:

Federal Tax Id #:

Mailing Address (If different than Street Address):

Credentialing Contact Person:

Contact Person E-mail:

☐ check if e-mail is preferred method of communication

**Pharmacy Medicare/Medicaid:** If left blank, please give an explanation.

Medicare Id #: \_\_\_\_\_

Medicaid Id #: \_\_\_\_\_

## Professional / Personal Sanctions and Information

1. Currently and in the last five years have you and/or your pharmacy:
  - a. Been under investigation or involved in any court cases, lawsuits, settlements or arbitration proceedings pertaining to civil and/or criminal allegations or indictments?
  - b. Been convicted of any felony or misdemeanor?
  - c. Had any chemical dependency or substance abuse issues which may limit or impair you and/or your pharmacy's ability to provide prescription medications?

If you answered "YES" on 1a, 1b, or 1c, please provide documentation of each circumstance and any resolutions.

2. Will you make reasonable accommodations to accept and service handicapped patients?

If "NO", please provided an explanation:

3. Proof of Professional Liability insurance (malpractice) coverage of \$1 million per occurrence and \$3 million aggregate is required for participation in pharmacy networks.

Do you have Professional Liability Insurance in this amount?

If "NO", please provide detailed explanation:

**Yes      No**

☐      ☐

☐      ☐

☐      ☐

☐      ☐

☐      ☐

## Attestation of Credentials / Release Form

I acknowledge and agree that ENVISIONRXOPTIONS or any "Plan" that contracts with ENVISIONRXOPTIONS, may review my credentialing information received by ENVISIONRXOPTIONS or its contracted Credentialing Verification Organization ("CVO"). Each such organization has a valid interest in obtaining and verifying information concerning my professional competence and in determining whether to permit my participation for the provision of pharmacy services to eligible persons utilizing any of ENVISIONRXOPTIONS networks.

Accordingly,

- (i.) I understand that my completion and submission of this credentialing application to ENVISIONRXOPTIONS or its contracted CVO is not a guarantee that it will be accepted by ENVISIONRXOPTIONS or any "Plan" to which the information has been or will be submitted. I further understand that I must contact the appropriate "Plan" regarding any questions of acceptance into such network.
- (ii.) I represent and warrant to any "Plan", ENVISIONRXOPTIONS, and its CVO that the information contained in the foregoing application is true and complete and I agree to inform ENVISIONRXOPTIONS within 30 business days if any material change in such information occurs, whether before or after my entering into an agreement with ENVISIONRXOPTIONS for the provision of pharmacy services. I also represent and warrant that there is no information omitted which would cause ENVISIONRXOPTIONS or any "Plan" to adversely evaluate my application. I fully understand that any material misstatements in or arising from this form may constitute cause for the termination of my agreement(s) with ENVISIONRXOPTIONS or participation with any said "Plan".
- (iii.) I authorize ENVISIONRXOPTIONS and its CVO or said "Plan" to consult with administrators, state licensing boards, government agencies and other persons or entities to obtain and verify information concerning my professional competence, character and moral and ethical qualifications, and I release ENVISIONRXOPTIONS, its affiliates, its CVO and /or any said "Plan", any of their employees, officers, directors, and agents from any liability for their acts performed in good faith and without malice in obtaining and verifying such information and in evaluating my application.
- (iv.) I consent to the release by any person or entity to ENVISIONRXOPTIONS or its affiliates, its CVO, or any "Plan" of all information that may reasonably be relevant to an evaluation of my professional competency, character and moral and ethical qualifications which include, without limitation, any information relating to any disciplinary action, suspension, or termination of surgical/medical or clinical privileges or managed care network participation; and hereby release any such person or entity providing such information from any and all liability for doing so, and
- (v.) I understand that I have the right to withdraw my release of information authorized herein at any time upon written notice to ENVISIONRXOPTIONS or its CVO. In doing so, I further acknowledge that in accordance with the terms of the agreement(s) with ENVISIONRXOPTIONS my agreement with ENVISIONRXOPTIONS and participation in any plan may be terminated; and
- (vi.) I consent to the release of any and all information contained in the application to any "Plan", any other Payers and/or enrollees as necessary; and
- (vii.) I understand and agree that a photocopy of this authorization will be as valid as the original.

### ACKNOWLEDGEMENT OF RECEIPT:

I hereby acknowledge receipt of a copy  
Of the Attestation of Credentials Form as stated above.

Signature of Authorized Individual:

Signature : \_\_\_\_\_

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_





Date: November 01, 2012

To: Shane

Company:

From: RxAlly and BeneCard PBF

Pages: 4

Subject: Join community pharmacy's new Med D preferred network: SmartD Rx

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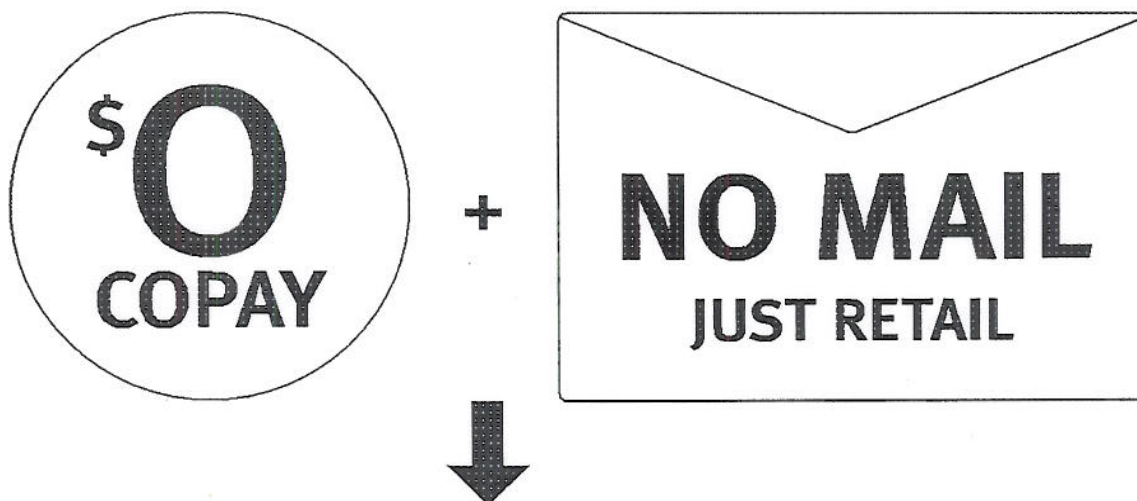
RxAlly's member pharmacies will be **exclusively** invited to form the preferred network to Smart Insurance Company Holdings, Inc., a provider of innovative health care solutions to the senior market. Through this relationship, RxAlly will help introduce, pending final approval from the Centers for Medicare & Medicaid Services, SmartD Rx<sup>sm</sup>, Smart Insurance Company Holding's new Medicare Part D prescription drug plan.

**We invite your pharmacy to join the preferred network for SmartD Rx. Join the SmartD Rx preferred network before August 31 to ensure your pharmacy is included on the CMS Plan Finder that goes live in October for the annual open enrollment period. Act now!**

RxAlly is collaborating with BeneCard PBF to facilitate pharmacy enrollment for SmartD Rx. Please sign the following SmartD Rx Preferred Network Addendum and fax it to BeneCard PBF at 888-723-6008.

Phone: 877-723-6004  
Fax: 888-723-6008  
[www.RxAlly.com/SmartDRx](http://www.RxAlly.com/SmartDRx)  
[www.benecardpbf.com](http://www.benecardpbf.com)

# WHAT MAKES smart SO SMART?



## NEW PATIENTS + CUSTOMER LOYALTY

### ENROLL IN THE SMARTD Rx<sup>SM</sup> PREFERRED NETWORK

Introducing a new Medicare Prescription Drug Plan (pending CMS approval), developed by community pharmacy, that can provide healthy benefits to you and your patients. SmartD Rx<sup>SM</sup> does all of this and more:

- Puts personalized prescription drug care first
- Aligns you with the preferred network of pharmacies
- Builds patient loyalty with \$0 co-payments on popular preferred generics and low co-payments on brands
- No mail order. Members buy go-day supplies at your pharmacy
- Offers an opportunity to be compensated for Medication Therapy Management

The RxAlly member pharmacies have been exclusively selected to form the preferred network for SmartD Rx. All trends point to the rapid growth of preferred networks for Part D plans. So don't miss out on your opportunity to continue to serve Medicare members as part of the SmartD Rx preferred network—the preferred network developed by community pharmacy!

Participation in the SmartD Rx preferred network will ONLY available to pharmacies enrolled with RxAlly.

Questions? Call 877-723-6004.

### SIGN UP TODAY

Sign and fax back the attached addendum (Pharmacy Network Addendum Medicare Part D: RxAlly Preferred Network) to 888-723-6008 or visit [www.RxAlly.com/SmartDRx](http://www.RxAlly.com/SmartDRx).



RxAlly is collaborating with Benecard to facilitate pharmacy enrollment for SmartD Rx. Our records indicate that you have previously enrolled in RxAlly and accepted the terms of Benecard's Retail Pharmacy Participation Agreement so you will just need to accept the terms outlined in the Pharmacy Network Addendum Medicare Part D: RxAlly Preferred Network.



## Agreement for Retail Pharmacy Participation

This Agreement for Retail Pharmacy Participation is between Benecard Services, Inc., a New Jersey corporation and the undersigned pharmacy ("Participating Pharmacy").

### Recitals

- A. Benecard Prescription Benefit Facilitator ("PBF"), a division of Benecard Services, Inc., maintains a pharmacy network or networks and provides pharmacy benefit facilitation services to sponsors of prescription drug programs and their members, enrollees, employees, retirees, and dependents who are covered by those plans.
- B. Participating Pharmacy desires to provide pharmacy services and other agreed upon health care services to individuals enrolled in prescription drug programs receiving pharmacy benefit facilitation services from PBF and desires to participate in the network or networks upon the terms and conditions herein provided.
- C. Participating Pharmacy and PBF wish to conduct the transactions described in this Agreement by electronic means whenever practicable.

Now Therefore, in consideration of the mutual promises in this Agreement, PBF and Participating Pharmacy agree as follows:

### 1. PBF's Responsibilities

- 1.1. Eligibility and Claims Processing.** PBF will receive and process Participating Pharmacy's contractual claims for payment of Covered Services provided to Members. Participating Pharmacy shall receive: (a) eligibility verification and authorization for payment; (b) notification of claim status; (c) cyclical electronic or physical remuneration disbursement; (d) drug utilization review messaging; (e) Formulary information; (f) toll-free access to a Provider Services Help Desk operator; and (g) web-based assistance.
- 1.2. Member Identification.** PBF shall be responsible for furnishing Members a form of identification (e.g., an identification card or other representational documentation) to be presented to Participating Pharmacy when Members seek to have prescriptions filled.
- 1.3. Additional Services.** PBF may at its option supply Participating Pharmacy with web-based information, such as participating pharmacy services and offerings that may include but not be limited to membership exposure to weekly specials, store flyer web-presence, flu shot availability, blood pressure monitoring services and specialty consultative services.

### 2. Participating Pharmacy Responsibilities

- 2.1. Services.** Participating Pharmacy shall provide Covered Services to all Members in accordance with this Agreement and all applicable Sponsors' Plan Specifications ("SPS").

**2.1.a.** Participating Pharmacy shall examine each Member's identification card or other representational documentation and a valid prescription(s) issued by a Practitioner to confirm the identity of the person receiving the prescription drug or product prior to submitting the claim to PBF for processing. Participating Pharmacy shall require Member to provide a legible signature on the Participating Pharmacy's NCPDP compliant log prior to dispensing the prescription drug or product(s). In the event the Member is lacking appropriate membership identification materials, Participating Pharmacy shall make reasonable attempts to contact PBF on the toll-free BeneRx® Provider Help Desk number provided to acquire the relevant information.

**2.1.b.** Participating Pharmacy shall provide the appropriate Covered Service to each Member in accordance with applicable Law and this Agreement. Participating Pharmacy agrees to review the prescribed drug history before each Prescription Drug is dispensed to a Member. Without limiting the foregoing, Participating Pharmacy shall screen for, therapeutic duplication; age, gender and allergy-related contra-indications; over-utilization and under-utilization; drug-drug interactions; incorrect drug-dosage or duration of drug therapy; and abuse or misuse.

**2.1.c.** Participating Pharmacy agrees to maintain sufficient personnel, equipment and supplies necessary to provide Covered Services to Members.

**2.2. Formulary Support.** Participating Pharmacy agrees to support applicable Formularies and to dispense Covered Drugs to Members in accordance with those Formularies and this Agreement, when clinically appropriate.

**2.3. Cooperation in General.** Participating Pharmacy agrees to cooperate with PBF as reasonably necessary for Sponsors to operate their prescription drug programs, to establish and to maintain cost-effective utilization management programs and otherwise to effectuate the purpose of this Agreement.

**2.4. Sales Taxes.** Participating Pharmacy shall submit with each claim for payment, in compliance with the transaction standards required by Law, the amount of all federal, state and local taxes and surcharges, which Participating Pharmacy is required by Law as a retailer to pass on to Sponsors for Covered Drugs dispensed to Members ("Rx Taxes"). Participating Pharmacy shall remain solely responsible for payment to the appropriate governmental authorities, of all Rx Taxes and all other federal, state and local taxes and surcharges related to the Covered Services and Covered Drugs provided by Participating Pharmacy in connection with this Agreement.

**2.5. Member Rights.** Participating Pharmacy agrees to the following:

**2.5.a. No Discrimination.** Participating Pharmacy shall not discriminate or differentiate against any Member in the provision of Covered Services on the basis of race, color, creed, national origin, ancestry, religion, sex, sexual orientation, marital status,



age, disability, payment source, state of health, need for health services, status as a Medicare or Medicaid beneficiary, or any other basis prohibited by Law.

**2.5.b. Cost Sharing Amounts; No Member Recourse.** Participating Pharmacy shall collect directly from each Member the applicable Cost Sharing Amount. Participating Pharmacy shall not hold any Member (or individuals responsible for the Member's care) liable for payment of any fees owed by PBF or any Sponsor to Participating Pharmacy in connection with this Agreement. The routine waiver of Member Cost Sharing is prohibited.

**2.5.c. Offering Covered Drugs and Services at the Agreed Price.** Participating Pharmacy shall provide each Member each Covered Service for the lesser of (i) the appropriate price calculated under this Agreement and/or outlined in the applicable Sponsor's Plan Specifications; (ii) the Usual and Customary Price; or (iii) the Member's Cost Sharing Amount, even when a Sponsor may have no financial responsibility for payment of such Covered Service. Participating Pharmacy shall charge a Member only such amount, and no more, for a Covered Service provided by Participating Pharmacy to the Member.

### **3. Sponsor's Plan Specifications**

**3.1.** PBF agrees to provide Participating Pharmacy notice of each Sponsor's Plan Specifications as set out in Exhibit B, thirty (30) calendar days prior to the start date of the applicable SPS. Participating Pharmacy, on a SPS by SPS basis, may decline a particular SPS by providing notice of the declination and identification of the relevant SPS to PBF within five (5) business days of receipt of notice. If such notice is not provided by Participating Pharmacy to PBF as described in this section, Participating Pharmacy shall be deemed to have accepted the SPS. Similarly, submission at any time of a claim for Covered Services provided to any Sponsor's Member will also be deemed to be acceptance of that SPS by Participating Pharmacy. Acceptance of a SPS by Participating Pharmacy is final.

**3.2.** Each Sponsor's Plan Specifications shall take precedence in the event of a conflict with any of the terms or conditions of this Agreement.

### **4. Credentialing**

**4.1. Credentialing Requirements.** Participating Pharmacy agrees to participate in PBF's credentialing program and represents and warrants that it has a valid NCPDP Provider ID. Participating Pharmacy shall provide PBF all information reasonably requested by PBF from time to time in connection with its credentialing program. PBF acknowledges NCPDP as one of its data source for credentialing. Participating Pharmacy shall validate the accuracy of all its information with, and routinely provide pertinent updates to, NCPDP accurately and timely.

**4.2. Government Investigations.** Participating Pharmacy agrees to notify PBF promptly and in writing of all investigations conducted by any state board of pharmacy or other governmental authority in connection with the practice of pharmacy and all pending and final disciplinary actions by any such board or authority against Participating Pharmacy or any of its pharmacists.

### **5. Change in AWP Methodology**

If AWP is no longer reported, in whole or in part, by the pricing service subscribed to by PBF for claim processing or is modified in a way that materially changes the economics of this Agreement for Covered Drugs, then upon request of either party in writing, PBF and Participating Pharmacy shall confer in good faith to reach agreement to substitute another pricing measure on a prospective basis. If an agreement between Participating Pharmacy and PBF cannot be reached within ninety (90) calendar days of that request or such lesser time period as may be required to comply with applicable Law, then either PBF or Participating Pharmacy shall have the right to terminate this Agreement upon thirty (30) calendar days' prior written notice to the other party.

### **6. Submission and Processing of Claims**

Participating Pharmacy shall submit all claims within fourteen (14) calendar days of the date the Covered Drug or other Covered Service is provided to the Member, for payment using the BeneRx® System in compliance with the NCPDP transaction standards or as required by Law. Participating Pharmacy shall be responsible for the fees and charges of any clearinghouse, "switch" or other person retained by Participating Pharmacy for formatting, submission, storage or transmission of claims that are subject to this Agreement.

### **7. Payments and Transaction Charges**

**7.1. Claims Payment.** Participating Pharmacy agrees that it shall dispense Covered Drugs, provide other Covered Services and accept, as payment in full, disbursements for all valid claims at the rates set forth in Exhibit D hereof or as outlined in the applicable Sponsor's Plan Specifications. Participating Pharmacy further agrees that Benecard is not responsible or liable for the funding of claims and is not a guarantor or insurer for the funding or payment of those claims whether or not they are properly processed. Should the responsible plan sponsor fail to pay PBF, Benecard will assist the Pharmacy in its efforts in collecting any payments due from the sponsor.

**7.2. Transaction Charge.** Participating Pharmacy agrees that it shall owe PBF the Transaction Charges set forth in Exhibit C. Participating Pharmacy agrees that PBF may deduct the amount of such charges and other amounts referenced in this Agreement from all disbursements owed by Sponsors to Participating Pharmacy.



## **8. Term and Termination**

**8.1. Term of Agreement; Renewal:** Unless otherwise terminated pursuant to this Agreement, the initial term shall commence as of the Effective Date and shall continue for a period of two (2) years thereafter. This Agreement shall be renewed automatically for successive two (2) year terms on the biannual Effective Date and on each biannual anniversary thereafter unless terminated pursuant to this Agreement. Termination of this agreement for any reason will not affect the rights and duties of the parties as accrued while the agreement was in force.

**8.2. Termination Without Cause:** This Agreement may be terminated by either party for any reason or no reason at all, upon sixty (60) calendar days' written notice prior to the expiration of any term, to the other party.

**8.3. Termination Upon Insolvency:** Either party shall have the right terminate this Agreement upon written notice to the other immediately upon the filing by or against the non-terminating party of any action under any Law regarding insolvency, reorganization, arrangement, or extension for the relief of debtors, including the assignment of assets for the benefit of creditors, and the appointment of a receiver or trustee for transfer or sale of a material portion of the non-terminating party's assets.

**8.4. Immediate Termination:** PBF shall have the right to terminate this Agreement, in whole or in part, immediately and at any time upon written notice to Participating Pharmacy, in the event of any of the following: (i) Participating Pharmacy fails to cooperate with the audit and overpayment provisions of Section 10 hereof, breaches any representation, warranty or covenant in this Agreement which remain uncured 30 days from the date of delivery of notice of breach; (ii) PBF has reason to believe in its sole discretion that the health, safety or welfare of a Member(s) may be in jeopardy; (iii) Participating Pharmacy engages in any fraudulent activity in any way related to this Agreement; (iv) Participating Pharmacy offers, presents, represents, or otherwise switches or attempts to switch Members to any prescription benefit plan other than what member is currently enrolled through Sponsor, without the express written consent of the Sponsor or PBF.

**8.5.** Notwithstanding anything to the contrary in this Section 8, Pharmacy will continue serving Members for those SPSs accepted under Section 3 hereof until such time as the plan's then current contract with Benecard terminates.

## **9. Compliance with Law**

**9.1. Pharmacy's Compliance with Law.** Participating Pharmacy represents and warrants that it is, and shall continue to be, operating in full compliance with all Laws that govern pharmacy practice and licensing and all other applicable Laws.

**9.1.a.** Participating Pharmacy represents and warrants that it has, and shall maintain, a valid National Provider Identifier.

**9.1.b. Licensure.** Participating Pharmacy agrees to maintain in good standing all licenses issued by the state boards of pharmacy for its Locations and the licenses and certifications of its pharmacists in each jurisdiction where it provides services to Members and the licenses and certifications of pharmacy technicians as applicable. Participating Pharmacy shall, upon request, provide PBF at no charge a history of the licensure and certification status of Participating Pharmacy, its pharmacists and its pharmacy technicians, its pharmacy license numbers, the license numbers of its pharmacists, copies of all current and valid licenses of specific Participating Pharmacy locations and their pharmacists identified by PBF, and access to such licenses. Participating Pharmacy shall immediately notify PBF in writing of any suspension, revocation, condition, limitation, qualification, or other restriction on any federal, state, or local approvals, licenses, permits, and certifications that could impede Participating Pharmacy, its pharmacists or pharmacy technicians in the performance of Participating Pharmacy's obligations under this Agreement.

**9.1.c. HIPAA; Protected Health Information.** Participating Pharmacy acknowledges that it is a "covered entity" for purposes of the HIPAA Rules. Participating Pharmacy agrees to comply with all Laws (including, but not limited to, HIPAA and the HIPAA Rules) related to the confidentiality, privacy, security and disclosure of Protected Health Information and other non-public personal information.

**9.1.d. Business Integrity; Debarment.** Participating Pharmacy agrees that Participating Pharmacy and its affiliates, subsidiaries, directors, officers, employees and agents are bound by the provisions 45 CFR Part 76. Participating Pharmacy further agrees to maintain its eligibility and the eligibility of its Locations and pharmacists to participate in all Medicare and Medicaid programs, all state pharmaceutical assistance programs and all "government-funded health programs" (as defined in 42 CFR §423.100) where its pharmacies are located. In the event that any Location or any of Participating Pharmacy's personnel becomes debarred or ineligible for participation in any of the above programs or convicted of a criminal felony, then Participating Pharmacy shall immediately remove it, him or her from the applicable network and prohibit it, him or her from furnishing any Covered Services to Members. If Participating Pharmacy itself becomes so debarred or ineligible or if Participating Pharmacy has not taken the actions required of it in the preceding sentence, then PBF shall have the right, at any time, to terminate this Agreement immediately upon written notice pursuant to Section 8.4 or take such other corrective or remedial action as warranted under the circumstances.

**9.1.e. Monitoring of Operations.** In accordance with this Agreement, Participating Pharmacy shall provide NCPDP with a current schedule of Locations in the required format containing address, operating hours and other pertinent information requested by NCPDP. Participating Pharmacy shall provide written notice immediately to NCPDP and PBF of any changes in Locations, significant changes in operating hours, closing, or change in ownership including without limitation the purchase or sale of any Location, including and of upcoming additions to or deletions from the list of Locations as well as the purchase or sale of pharmacy files or patient profiles

## **10. Books and Records; Audits**

**10.1. Maintenance of Books and Records.** Participating Pharmacy agrees to prepare and maintain all contracts, books, documents, papers and records, whether in written or electronic form ("Documents") related to its Covered Services provided to Members and as



may be required by applicable Law. Participating Pharmacy shall maintain all such Documents related to the services described in this Agreement for the longer of: (i) the time required by Law; or (ii) ten (10) years from the date a Covered Service is provided.

**10.2. Audits.** PBF, each Sponsor, each governmental authority of competent jurisdiction, and their authorized representatives shall have the right to audit, examine, evaluate and reproduce any and all Documents related to this Agreement, the services provided by Participating Pharmacy and amounts payable under this Agreement, and as deemed necessary by the auditing person to enforce this Agreement or applicable Law. PBF and its authorized representatives shall have reasonable access during regular business hours to Participating Pharmacy's Documents as may be necessary to perform an audit. PBF may also conduct desk audits and Participating Pharmacy, without charge, shall promptly provide PBF, each auditing Sponsor and governmental authority, and their authorized representatives copies of all Documents by fax, mail or email. PBF may report its audit findings to Sponsors and governmental authorities. Not less than ten (10) calendar days' advance notice of an audit performed by PBF or its representative will be given to Participating Pharmacy.

**10.3. Overpayments.** If an audit reveals that PBF made any overpayments to Participating Pharmacy, then within thirty (30) calendar days of written notice of such overpayments accompanied by detailed audit findings regarding the overpayments, Participating Pharmacy shall (i) pay PBF an amount equal to the overpaid amount or (ii) provide PBF with detailed written documentation disputing the information provided by PBF on a claim-by-claim basis. If Participating Pharmacy fails to respond as noted above, then PBF may deduct such overpayment amounts from future payments due to Participating Pharmacy under this Agreement. If two (2) payment cycles of future payments are insufficient to fully reimburse PBF, Participating Pharmacy agrees to remit payment to PBF for the balance due PBF within forty-five (45) calendar days from the initial request for reimbursement of overpayments.

## **11. Insurance, Limitation of Liability and Indemnification**

**11.1. Insurance.** Participating Pharmacy, at its sole cost and expense, shall maintain general public liability and professional or druggist liability insurance coverage in limits of not less than one million dollars (\$1,000,000) per occurrence or claim and three million dollars (\$3,000,000) in the aggregate per location for any one policy year, or such greater amount required by Law; or Participating Pharmacy shall provide such other evidence of financial responsibility as may be acceptable to PBF. If insurance information is not correct and available on PBF's primary data source acquired from NCPDP files, then Participating Pharmacy shall provide PBF written evidence confirming this insurance is in effect. Participating Pharmacy shall immediately notify PBF in writing of any suspension, cancellation, or material change of insurance coverage.

**11.2. Limitation of Liability.** Notwithstanding any other term of this Agreement, in no event shall either party be liable for any indirect, special, incidental, consequential, exemplary or punitive damages, or any damages for lost profits, however caused or arising, whether or not they have been informed of the possibility of their occurrence. Participating Pharmacy further agrees that PBF shall not be liable for any claims, damages, fines, injuries, demands, lawsuits, liabilities, losses, penalties, settlements, judgments, costs, expenses or fees (including, but not limited to, attorneys' fees) arising from the provision of any Covered Services or the sale, compounding, dispensing, packaging, or storage of any drug or product dispensed by Participating Pharmacy and any claims asserting an express warranty or the implied warranties of merchantability or of fitness for a particular purpose.

**11.3 Indemnification.** All liability arising from the provision of Covered Services and any other services rendered by Participating Pharmacy shall be the sole responsibility of Participating Pharmacy. Participating Pharmacy agrees to indemnify, defend and hold harmless Benecard Services, Inc., PBF, its designees, Sponsors, and their respective shareholders, members, directors, employees, agents, and representatives from and against any and all claims, damages, fines, injuries, demands, lawsuits, liabilities, losses, penalties, settlements, judgments, costs, expenses or fees (including, but not limited to, attorneys' fees) arising from: (a) any breach or alleged breach by Participating Pharmacy of this Agreement; (b) any actual or alleged malpractice, negligence or misconduct by Participating Pharmacy; (c) the provision of any Covered Services or the sale, compounding, dispensing, packaging, storage or use of any drug or product dispensed by Participating Pharmacy and any claims asserting an express warranty or the implied warranties of merchantability or of fitness for a particular purpose; (d) any violation by Participating Pharmacy of any applicable standard of care or Law; and (e) data related to payment and other data or information provided, submitted, transmitted or certified by or on behalf of Participating Pharmacy, in connection with this Agreement. PBF shall have the right to deduct any amounts due and owing in connection with the foregoing from any amounts payable to Participating Pharmacy. In consideration of the foregoing, PBF agrees to indemnify and hold harmless Participating Pharmacy and its shareholders, directors, officers, employees and agents from and against any and all claims, damages, fines, injuries, demands, lawsuits, liabilities, losses, penalties, settlements, judgments, costs, expenses or fees (including, but not limited to, attorneys' fees) arising from any breach or alleged breach by PBF of this Agreement.

## **12. Clinical Information and Judgment**

Any clinical information transmitted or otherwise provided to Participating Pharmacy by PBF is intended solely as a supplement to, and not as a substitute for, the knowledge, expertise or skill of the pharmacist, and PBF does not warrant the accuracy of the clinical information. The absence of a warning for a given drug or drug combination shall not be construed by Participating Pharmacy to indicate that the drug or drug combination is safe, appropriate or effective for a Member. Nothing in this Agreement is intended as requiring Participating Pharmacy to dispense any drug or product or to provide any service if, in its pharmacist's professional judgment, such drug or product or service should not be provided.



### **13. Confidential Information; No Solicitation**

**Confidential and Proprietary Information.** Each party agrees that all terms and conditions of this Agreement, information related to Sponsors and their Plan Specifications and all pricing, programs, services, practices, and procedures of PBF and Participating Pharmacy, and all other information provided by either party are confidential and/or proprietary. Each party agrees to maintain the confidential nature of such materials and information and not to use or disclose such materials and information to any other person, without the express written consent of the other party, unless such use or disclosure is permitted under this Agreement or such information is already publicly available due to no fault of such party. Without limiting the foregoing each party agrees not to provide any such confidential or proprietary materials or information to any affiliate, department, division or subsidiary in direct or indirect competition with the other party. Notwithstanding the foregoing, each party owns and shall retain all rights, title and interest in and to its own confidential and proprietary information and is permitted to use and disclose such information at its own discretion, without the other party's express written consent; Participating Pharmacy agrees that PBF owns all of the information contained in each Sponsor's Plan Specifications

**13.1. Intellectual Property.** All design marks, logos, trademarks, trade names and service marks (together, "Trade Name and Marks") and other intellectual property of PBF and Participating Pharmacy, respectively, whether currently in existence or later developed by that party, shall remain the sole and exclusive property of that party. Participating Pharmacy grants PBF the right to use Participating Pharmacy's Trade Name and Marks, address, telephone number, specialty, email address, fax number, and a factual description of the Participating Pharmacy's practice in directories and promotional materials during the term of the Agreement and for a reasonable period until the reprinting of such directories and materials. PBF grants Participating Pharmacy the right to PBF's Trade Name and Marks at the pharmacy counter and entrance of each Location to identify Participating Pharmacy as a pharmacy participating in one or more networks of PBF or a Sponsor, during the term of this Agreement.

**13.2. No Solicitation.** Participating Pharmacy shall not encourage, solicit or induce, or in any manner attempt to encourage, solicit or induce any Member or Sponsor to cease doing business with or reduce the amount of business with PBF, or in anyway interfere with the relationship between any Sponsor, Member and PBF.

**13.3. Remedies.** Each party shall promptly notify the other of any use or disclosure of confidential information or data that is not authorized in writing. Each party acknowledges and agrees that any unauthorized disclosure or use of confidential and/or proprietary information or data obtained from or provided by the other would cause immediate and irreparable injury or loss that cannot be fully remedied by monetary damages. Accordingly, if either party fails to comply with this Article 13 (Confidential Information; No Solicitation), the other party is entitled to seek and obtain injunctive relief, monetary remedies, and/or such other damages as available by Law.

### **14. General Provisions**

**14.1. Notices.** All notices shall be sent to the person(s) listed on the signature page of this Agreement and in writing. Notices shall be deemed given: (a) one (1) calendar day after personal delivery, confirmed email, confirmed fax or a legally acceptable means of electronic publication; (b) the third (3rd) calendar day after mailing through United States first class mail, postage prepaid; or (c) one (1) calendar day after depositing the same into the custody of a nationally recognized overnight delivery service. A party may change its address for receipt of notices in connection with this Agreement by providing a notice in accordance with the requirements of this provision. For purposes of this Agreement, any requirement to provide a notice or other communication in writing is satisfied if the notice or communication is provided, sent, or delivered in an electronic record through an information processing system that allows the receiving party to print or store the electronic record.

**14.2. Entire Agreement.** This Agreement constitutes the entire agreement between PBF and Participating Pharmacy related to the subject matter hereof. Any prior written or oral agreements between the parties related to the subject matter of this Agreement are null and void and of no further force or effect.

**14.3. Amendments.** Except as otherwise provided in this Agreement, this Agreement may be amended or modified only through a written agreement signed by both parties. Notwithstanding the preceding sentence, PBF may at its option amend any provision of this Agreement by sending a copy of the proposed amendment to Participating Pharmacy thirty (30) calendar days or best effort prior to its effective date. If Participating Pharmacy does not provide PBF with written notice of its objection to the amendment within the thirty (30) day period, Participating Pharmacy shall be deemed to have accepted the proposed amendment as of the day following the end of the thirty (30) day notice period, and Participating Pharmacy agrees that such amendment(s) shall not require a separate signature in order to be effective. If Participating Pharmacy provides written notice of its objection within the thirty (30) day notice period, the parties shall confer in good faith to reach agreement. If such agreement cannot be reached within thirty (30) calendar days of PBF's receipt of such notice or such lesser time period as may be required to comply with applicable Law, then PBF shall have the right to terminate this Agreement, in whole or in part, immediately upon written notice to Participating Pharmacy.

**14.4. Waiver.** A waiver by either party of strict compliance with the terms of this Agreement shall only be effective if in writing and signed by both parties and shall not be effective with respect to any prior or subsequent failure by either party to comply with any term of this Agreement.

**14.5. Assignment.** Except as otherwise set forth herein, no party shall have any right to assign this Agreement or any or all of its rights and responsibilities under this Agreement without the other party's written consent, which shall not be unreasonably withheld. PBF shall have the right to assign this Agreement and any or all of its rights and responsibilities under this Agreement to any affiliate, successor-in-interest, an entity under common control with PBF, or pursuant to an acquisition, merger, consolidation, reorganization,



or a sale of substantially all of its assets or stock. Any assignment by PBF shall not relieve Participating Pharmacy of its duties and obligations under this Agreement.

**14.6. Headings; Construction.** Article and section headings are for convenience only and shall not effect in any way the meaning or interpretation of this Agreement. This Agreement is the product of negotiation of the parties and shall be construed neutrally without regard to the party that drafted it. The foregoing recitals are restated and incorporated herein by reference and made a part hereof. All capitalized terms as used in this Agreement shall have the meanings stated in the body of the Agreement or in Exhibit A.

**14.7. Severability.** If any provision of this Agreement is held by a court or other governmental authority of competent jurisdiction to be illegal, invalid or unenforceable, then that provision shall be severed and the remaining provisions of this Agreement shall continue in full force and effect.

**14.8. Force Majeure.** A breach of this Agreement shall be excused if a party's delay or failure to perform all or any part of its duties or obligations results from a condition beyond its reasonable control, including, but not limited to, acts of God or the public enemy, flood or storm, strikes, riots, terrorist acts, war or other outbreak of hostilities, natural disaster, power or communication line failure, statute, or rule or action of any federal, state or local government agency.

**14.9. Relationships.** The parties are independent contracting parties, and nothing in this Agreement is intended to nor may anything in the Agreement be construed to create an employer/employee relationship, a partnership, a joint venture relationship, an agency relationship, or any other legal relationship between the parties other than or in addition to that of independent contracting parties.

**14.10. Joint and Several Liability.** Participating Pharmacy shall be responsible with each Location for the performance of Participating Pharmacy's obligations in this Agreement and shall be jointly and severally liable with each Location to PBF for breach of this Agreement and for any liability arising under or in connection with this Agreement.

**14.11. Governing Law.** This Agreement shall be construed and enforced in accordance with the Laws of the State of New Jersey, without regard to conflict of law principles.

**14.12. Third Party Beneficiaries.** This is an agreement between PBF and Participating Pharmacy only. It shall not be interpreted to create any rights or remedies in favor of any person who is not a party to the Agreement, and no such person shall have any right or cause of action under this Agreement, including any Member, except as otherwise expressly provided in this Agreement.

**14.13. Authority to Bind Participating Pharmacy and Locations.** The individual signing this Agreement on behalf of Participating Pharmacy represents and warrants that that individual has the appropriate authority to enter into this Agreement on behalf of Participating Pharmacy and all other subsequent Locations and to ensure compliance by all Locations with all provisions of this Agreement.

**14.14. Electronic Execution of Documents.** The parties agree and understand that their electronic signatures on documents and emails from the respective party are evidence of their intent to create binding obligations by means of electronic execution of documents. All documents properly electronically executed by means set forth below shall be considered, in connection with any transaction or this Agreement, to be a "writing" or "in writing" and any such document shall be deemed for all purposes (i) to have been "signed" and (ii) to constitute an "original" when printed from electronic files or records established and maintained in the normal course of business.

**14.15. Timing of Acceptance.** This Agreement shall become binding on the parties upon the Effective Date.

**14.16. Arbitration.** Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, or the negotiations leading up to this Agreement, whether based in tort or contract and whether statutory or common law, shall be resolved in final by arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitration shall be held in Clifton NJ. The interpretation and enforcement of this arbitration provision shall be governed by the Federal Arbitration Act. The arbitrator shall have no authority to award any party punitive, exemplary, multiplied, treble, or consequential damages, and each party hereby irrevocably waives any right to seek such damages in arbitration or judicial proceedings.



In Witness Whereof, Participating Pharmacy has caused this Agreement to be signed by its duly authorized officer, and has signed and delivered this Agreement as of the date first written below.

**Electronic Signature**

To sign this Agreement, the signatories must:

- (i) complete the application below; and  
(ii)(a) if this Agreement is accepted by Participating Pharmacy on PBF's website, the signatory must enter alpha/numeric character(s) or combination thereof of his or her choosing or other electronic symbol, or process attached to or logically associated with this Agreement and executed or adopted by Participating Pharmacy with the intent to sign this Agreement. (PBF does not determine or pre-approve what the entry should be, but simply presumes that this specific entry has been adopted to serve the function of the signature. Most signatories simply enter their names between the two forward slashes, although acceptable "signatures" could include /john doe/; /jd/; or /123-4567/.); or  
(ii)(b) if this Agreement is in printed form, Participating Pharmacy must provide the signature of its authorized person identified below.

Participating Pharmacy Name:	
Legal Name (please include Corporation, LLC, etc) : (if applicable)	
Software Vendor & Switch:	
Software Vendor & Switch Telephone:	
Name of Pharmacist in Charge (PIC) and PIC State License Number:	
Pharmacy Physical Address:	
Pharmacy Mailing Address: (If different from physical address)	
Owner/Operator Email Address:	
Pharmacy Telephone Number:	
Pharmacy Fax Number:	
Pharmacy Hours of Operation Monday-Friday: Saturday: Sunday: Holidays:	<b>Additional Required Information:</b>  Please Fax Copy of Liability Insurance
Federal Tax ID Number:	
Pharmacy State License Number and Expiration Date	
DEA #	
NCPDP#	
NPI#	
NCPDP Chain Code or Relationship ID	

Pharmacy NCPDP #: \_\_\_\_\_

Person to Receive Notice on Behalf of Participating Pharmacy:

Signature of Participating Pharmacy:

Authorized Person, Title & Date: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Person to Receive Notice on Behalf of PBF, a division of Benecard Services, Inc.: V.P. Network Management  
Benecard PBF  
1200 Route 46 West  
Clifton, New Jersey 07013

This Agreement is signed and accepted by Benecard Services, Inc. as of \_\_\_\_\_, 200\_\_ in \_\_\_\_\_, New Jersey.

Benecard Services, Inc.



By:

Name: Nicholas J. Laurora

Title: Vice President, Pharmacy Services

*\*If multiple pharmacy locations, please attach an excel spreadsheet to the executed Agreement signature page.*

Pharmacy General Services (Please mark all applicable services below)					
<input type="checkbox"/>	Access to General Public	<input type="checkbox"/>	DME Provider	<input type="checkbox"/>	Patient Consultation
<input type="checkbox"/>	Mail Order Service	<input type="checkbox"/>	Emergency Rx Service	<input type="checkbox"/>	Patient Education Classes
<input type="checkbox"/>	Pharmacy 340B	<input type="checkbox"/>	Home Infusion	<input type="checkbox"/>	Patient Compliance Monitoring
<input type="checkbox"/>	Accepts Medicare Assignment	<input type="checkbox"/>	Personal Medication	<input type="checkbox"/>	Dedicated Confidential Patient Counseling Area
<input type="checkbox"/>	Automatic Dispensing Units	<input type="checkbox"/>	Business Enterprise Zone	<input type="checkbox"/>	Sight or Hearing Impaired Service
<input type="checkbox"/>	Consultation Services	<input type="checkbox"/>	Refill Notification	<input type="checkbox"/>	Has TTD and/or TTY Line
<input type="checkbox"/>	Provides Immunization	<input type="checkbox"/>	Located within a Hospital, skilled Nursing facility		
<input type="checkbox"/>	Provides Flu Shots	<input type="checkbox"/>	Onsite Medical Clinic within pharmacy		

Services:

<input type="checkbox"/>	24 Hours Operation	<input type="checkbox"/>	Drive-Up Window
<input type="checkbox"/>	Accepts E-Prescriptions	<input type="checkbox"/>	Durable Medical Equipment
<input type="checkbox"/>	Delivery Service	<input type="checkbox"/>	Handicap Access
<input type="checkbox"/>	Compounding Service	<input type="checkbox"/>	90 Day Maintenance
<input type="checkbox"/>	Has Internet Access		



## Exhibit A

The following capitalized terms, including their single and plural forms, shall have the meanings set forth below:

### Definitions

**"Agreement"** means this Agreement for Retail Pharmacy Participation; all amendments, appendices, modifications and exhibits hereto; and all policies and procedures of PBF, Sponsors and their plans made available by PBF to Participating Pharmacy.

**"Average Wholesale Price" or "AWP"** means the average wholesale price for a Prescription Drug or other pharmaceutical product, as published by Medi-Span® or another nationally recognized pricing source at the discretion of PBF. Unless there is a system complication which disallows so, the average wholesale price will be updated by or on behalf of PBF at least once each business week.

**"BeneRx® System"** means the NCPDP compatible point-of-sale communication system used to adjudicate claims information submitted by Participating Pharmacy.

**"Cost Sharing Amount"** means a copayment, coinsurance, deductible or other amount of money a Member is required to pay Participating Pharmacy for a Covered Drug or Covered Service in accordance with that Member's Sponsor's Plan Specifications and this Agreement.

**"Covered Drugs"** means those Prescription Drugs, insulin syringes and supplies, over the counter drugs and other medical devices and supplies that are covered by a Sponsor's Plan Specifications and are legally prescribed by a Practitioner.

**"Covered Services"** include Covered Drugs and the dispensing of Covered Drugs, the providing of counseling and utilization review, and seeking prior authorization and other related services performed by Participating Pharmacy to a Member, all of which are included in the fees set forth in the applicable Sponsor's Plan Specifications.

**"Dispensing Fee"** means the amount to be funded by the appropriate Sponsor and remitted by PBF to Participating Pharmacy for providing Covered Services to Eligible Members

**"Effective Date"** means the earlier of: (i) the date this Agreement is signed by an authorized individual on behalf of the Participating Pharmacy and accepted by PBF at its principal place of business; or (ii) the date the Participating Pharmacy submits a claim to PBF.

**"Formulary"** means a list of preferred Prescription Drugs developed, published and periodically revised by PBF and/or a Sponsor, which pharmacists are required to dispense, subject to their professional judgment and applicable Law and applicable Sponsor Plan Specifications.

**"HIPAA"** means the Health Insurance Portability and Accountability Act of 1996, as amended from time to time.

**"HIPAA Rules"** mean the medical records privacy, security and standard transaction rules and regulations under 45 CFR Parts 160, 162 and 164.

**"Law"** means any federal, state, local, foreign or sovereign Indian nation law, ordinance, rule, regulation or judicial or administrative interpretation thereof.

**"Location"** means each retail pharmacy that is owned, operated or managed by Participating Pharmacy or authorizes Participating Pharmacy to contract on its behalf, is duly licensed as a pharmacy and provides Covered Drugs and Services pursuant to this Agreement.

**"Maximum Allowable Cost" or "MAC"** means the PBF's proprietary compensation level established and modified by PBF in its discretion for generic Covered Drugs. -

**"Member"** means an employee, retiree, spouse, domestic partner, dependent or other individual who is enrolled in a Sponsor's prescription drug program and is eligible to receive Covered Services under the terms of that plan and such individual's representative authorized to receive such Covered Drugs.

**"NCPDP"** means the National Council for Prescription Drug Programs or its successor.

**"Participating Pharmacy"** includes: (a) the undersigned company (b) the company that owns or operates each retail, community pharmacy that is subject to this Agreement; and (c) each Location that submits claims to PBF for payment of Covered Drugs or Covered Services.

**"Payment Sheet"** means Exhibit C or such other agreed upon document that reflects the per transaction adjudication fees paid by Participating Pharmacy to PBF for processing claims which may be amended from time to time.

**"Practitioner"** means a dentist, nurse, physician, physician assistant or other health care provider who is licensed in the jurisdiction where the prescription is issued and is authorized by Law to prescribe Prescription Drugs, devices and/or supplies to individuals including Members.

**"Plan Specifications"** means the information made available by PBF to Participating Pharmacy describing, among other things, the applicable processes and Covered Services under a particular Sponsor's health benefit plan and all related amendments, provided by PBF to Participating Pharmacy in accordance with this Agreement. This information may include the amounts to be reimbursed to Participating Pharmacy for Covered Services; excluded items; Cost Sharing Amounts; benefit maximums; coverage or payment limitations; and other items, all subject to the actual requirements of that Sponsor's health benefit plan.

**"Prescription Drugs"** means all federal legend and state restricted drugs and drug products requiring a prescription and all mixtures and compounds containing a minimum of one prescription ingredient pursuant to applicable Law.

**"Protected Health Information" or "PHI"** means individually identifiable health information related to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual, as more fully defined in the HIPAA Rules or otherwise deemed confidential under other Law.

**"Sponsor"** means a health benefits plan, employer, health care service contractor, health care service plan, health maintenance organization, insurance company, managed care organization, preferred provider organization, third party administrator, trust, union or other entity that has entered into an agreement with PBF to provide access to a prescription drug program and is solely responsible for funding payments for Covered Drugs and Covered Services under its Plan Specifications or in connection with the coordination of benefits.

**"Transaction Charge"** means the per transaction adjudication fees paid by Participating Pharmacy to PBF for processing claims.

**"Usual and Customary Price"** means the price, that may or may not be advertised or posted, and that would have been charged to a Member for a Covered Drug, inclusive of all promotions and discounts, at the dispensing Location on the date of service for the drug (s) dispensed, if the Member was a cash or uninsured paying customer.

**"Wholesale Acquisition Cost" or "WAC"** means the manufacturers' published catalog or list price for a drug product to wholesalers, as established and updated by Medi-Span. Reimbursement under the Agreement shall be based on the accurate pricing from Medi-Span as of the date dispensed. Unless there is a system complication which disallows so, the average wholesale price will be updated by or on behalf of PBF at least once each business week.

## Exhibit B



# Benecard Prescription Benefit Facilitator Sponsor Plan Specifications

**These Sponsor Plan Specifications Shall Apply Unless They Are Altered by an SPS Made Available on the PBF Website.**

### **Standard Covered Items:**

- Federal Legend Drugs
- State Restricted Drugs
- Compounded Prescriptions
- Insulin on Prescription
- Injectibles

### **Standard Exclusions:**

- OTC (over-the-counter) Drugs
- Items Lawfully Obtainable Without A Prescription
- Devices and Appliances
- Prescription Drugs and Drug Products Covered Without Charge Under Federal State or Local Programs Including, but not Limited to, Medicaid and Worker's Compensation.
- Any Charge for The Administration of A Drug or Insulin
- Investigational or Experimental Drugs
- Unauthorized Refills
- Immunization Agents, Biological Sera, Blood or Plasma
- Drugs for A Member Confined to A Long-Term Care Facility, Nursing Home, Sanitarium, Extended Care Facility, Skilled Nursing Facility, Hospital Or Similar Facility



## Exhibit C



## Benecard Prescription Benefit Facilitator Payment Sheet

**Transaction Charge:** Shall Apply Unless They Are Altered by an SPS Made Available on the PBF Website.

- A \$0.15 Per Transaction Adjudication Charge Will Be Imposed To Participating Pharmacy And Will Be Deducted Directly From the Remittance Payment.
- Payment Cycles Will Be Twice per Month, (On or About the 1st and 15th calendar days of each month) or more frequently as required by law.
-

## Exhibit D



## Benecard Prescription Benefit Facilitator Network Pricing

### Reimbursement Rates:

- On 1-83 Day Supply Fills:
  - Brand Name Drugs: The lesser of the following: AWP minus 14.50% (WAC plus 2.6%) plus a \$1.40 dispensing fee or Participating Pharmacy's Usual and Customary Price, less the Member's Cost Sharing Amount.
  - Generic Drugs: The Lesser of the following: AWP less 20% or MAC price plus a \$1.60 dispensing fee or Participating Pharmacy's Usual and Customary Price, less the Member's Cost Sharing Amount
- On > 83 Day Supply Fills:
  - Brand Name Drugs: The lesser of the following: AWP minus 18.75% (WAC minus 2.50%) plus a \$1.00 dispensing fee or Participating Pharmacy's Usual and Customary Price, less the Member's Cost Sharing Amount.
  - Generic Drugs: The lesser of the following: AWP less 20% or MAC price; a \$1.00 dispensing fee or Participating Pharmacy's Usual and Customary Prices, less the Member's Cost Sharing Amount.
- Compounds will be processed with a \$5.00 Dispensing Fee.

**Exhibit E**

This Addendum for Medicare Part D Retail Pharmacy Participation is between Benecard Services, Inc., a New Jersey corporation and the undersigned pharmacy ("Participating Pharmacy") is effective as of the date below, at the rates indicated, for Participating Pharmacy's participation in the **Benecard PBF Medicare Part D National Network**. By signing below, the undersigned hereby enrolls as a Provider in **Benecard PBF Medicare Part D National Network** and agrees to the following Discount and Dispensing Fees in accordance with the terms and conditions set forth herein.

This Addendum acts as an addition to the Benecard PBF's Retail Pharmacy Participation agreement ("Agreement").

**Reimbursement Rates:**

- On 1-83 Day Supply Fills:
  - Brand Name Drugs: : The lesser of the following: AWP minus 14.50% (WAC plus 2.6%) plus a \$1.40 dispensing fee or Participating Pharmacy's Usual and Customary Price, less the Member's Cost Sharing Amount.
  - Generic Drugs: The Lesser of the following: AWP less 20% or MAC price plus a \$1.60 dispensing fee or Participating Pharmacy's Usual and Customary Price, less the Member's Cost Sharing Amount
- On > 83 Day Supply Fills:
  - Brand Name Drugs: The lesser of the following: AWP minus 18.75% (WAC minus 2.50%) plus a \$1.00 dispensing fee or Participating Pharmacy's Usual and Customary Price, less the Member's Cost Sharing Amount.
  - Generic Drugs: The lesser of the following: AWP less 20% or MAC price; a \$1.00 dispensing fee or Participating Pharmacy's Usual and Customary Prices, less the Member's Cost Sharing Amount.
- Compounds will be processed with a \$5.00 Dispensing Fee.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment intending to be legally bound.

Effective Date: January 1, 2013

**Benecard Services, Inc.**

**Participating Pharmacy**

By: 

By: \_\_\_\_\_

Name: Nicholas J. Laurora

Name: \_\_\_\_\_

Title: Vice President Pharmacy Services

Title: \_\_\_\_\_

Date: May 19, 2012

Date: \_\_\_\_\_

Pharmacy NCPDP #: \_\_\_\_\_



## Exhibit F

# RETAIL AMENDMENT FOR MEDICARE SERVICES

Effective \_\_\_\_\_ the Parties agree to amend Retail Pharmacy Participation agreement ("Agreement") with an Effective Date of \_\_\_\_\_ as follows, with each capitalized term bearing the same definition as set for the in the Agreement.

### A. Definitions.

For purposes of this Addendum capitalized terms shall have the meanings ascribed to them in the Agreement, unless otherwise expressly provided herein. The following definitions apply to the Addendum:

1. The term "**Covered Part D Drug**" means a Covered Service under a Part D Plan.
2. The term "**Eligible Member**" means a Medicare beneficiary enrolled in a Part D Plan.
3. The term "**Part D Plan Sponsor**" means a Plan Sponsor that has a contract with CMS and is certified under 42 CFR Part 423 as meeting the requirements and standards that apply to entities that offer Medicare prescription drug plans.
4. The terms "**Part D Plan**" means prescription drug coverage that is offered under a policy, contract, or plan that has been approved as specified in 42 CFR 423.272 and that is offered by a Part D Plan Sponsor.

**B. Responsibility of Pharmacy.** An Eligible Member is a Member qualified to receive pharmacy benefits under the Sponsor's Part D Plan. Pharmacy agrees to participate in the Sponsor's Medicare Part D Plan, as administered by Benecard, under the same terms and conditions as are set out in the Agreement, except as those terms and conditions may be modified by this Amendment, including but not limited to using the Benecard real-time claims system, making negotiated prices based on the prescription drug pricing standard set out in the Agreement available to Eligible Members, and charging the proper cost-sharing amount to the Eligible member in accordance with 42 CFR 423.104, as required by the Part D Program.

Pharmacy must submit a claim to the PBF real-time system whenever the Eligible Member presents for a Sponsor's Covered Part D Drug, whether or not the Eligible Member pays for the drug out-of-pocket, unless the Eligible Member specifically requests that no claim be filed. At the point of sale, Pharmacy will inform the Eligible Member of the lowest priced generic equivalent drug available, and the differential in price for the generic drug from the price of the drug acquired. Such information shall be provided by PBF's real time system.

**C. Responsibility for CMS Contract.** Benecard and Sponsor are ultimately responsible for performance under Sponsor's contract with the Center for Medicare and Medicaid Services (CMS) for its Medicare Part D Program, and as the Sponsor's administrator, Benecard is responsible for monitoring all functions and responsibilities undertaken by Pharmacy as set out in the Agreement and this Amendment.

**D. Government Right to Inspect.** Under the terms of 42 CFR 423.505(e)(2) and (i)(2), Pharmacy shall give the U.S. Department of Health Human Services ("HHS"), the Centers for Medicare and Medicaid ("CMS"), and the U.S. Comptroller General, and their authorized designees, the right to audit, evaluate and inspect all books, contracts, medical records, patient care documentation and other records of Pharmacy directly relating to its services furnished to Eligible Members hereunder during the term of this Amendment and for a period of 10 years following termination or expiration of this Amendment for any reason, or until completions of an audit, whichever is later. Pharmacy will produce, upon request by CMS or its designees, any books, contracts, records, including medical records and documentation of the Part D Sponsor, directly relating to the Part D program services provided to Eligible Members pursuant to this Amendment, to either Benecard or Sponsor to provide to CMS, or directly to CMS or its designees. This provision shall survive termination of the Agreement.

**E. Privacy/Confidentiality.** Pharmacy agrees to safeguard the privacy and security of all Protected Health Information ("PHI") in accordance with the Health Insurance Portability and Accountability Act and the regulations promulgated thereunder ("HIPAA"), and state laws on privacy and security. Pharmacy shall maintain the Eligible Member's records in an accurate and timely manner.

**F. Hold Harmless/Eligible Indemnification.** Pharmacy agrees to look solely to Benecard or the Sponsor for payment for Covered Part D Drug furnished to Eligible Members unless explicitly notified by Benecard for reason of coordination of benefits or subrogation. Pharmacy shall not bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have a claim or recourse against an Eligible Member or anyone acting on behalf of an Eligible Member, under any circumstance unless explicitly approved for reason of coordination of benefits or subrogation. This provision shall not prohibit collection of Member cost sharing amounts made in accordance with the terms of the applicable agreement between Sponsor and the Eligible Member. In addition, Pharmacy agrees to seek no recourse for payment from any Eligible Member for the reason of



insolvency of Benecard or the Sponsor. Pharmacy acknowledges that Eligible Members are third party beneficiaries to this clause. Pharmacy further agrees that this paragraph shall survive the termination (or expiration) of the Amendment regardless of cause of such termination, and that it has not, and will not, enter into any agreement with an Eligible Member or any other party contrary to this paragraph. This provision shall not prohibit collection of charges for services which are not covered services as defined in the relevant Part D Plan Sponsor's plan description, nor shall this provision prohibit payment for any covered services delivered after expiration of benefits under the relevant Part D Plan Sponsor's plan description.

**G. Continuation of Benefits.** Pharmacy shall continue to provide Covered Part D Drug to Eligible Members for the remainder of the period for which the Eligible's Medicare premium has been paid, and such continuation of services shall be made in accordance with the terms and condition to the Agreement as it may be amended and in effect at the time, including but not limited to the compensation rates and terms set forth therein. This paragraph shall survive termination of the Agreement.

**H. Prompt Payment.** Benecard agrees to use reasonable efforts to adjudicate Pharmacy's clean claims (as defined in 42 CFR 423.520) within fourteen (14) days from the date Benecard receives the claim for electronic claims, and thirty (30) days for all other submissions in accordance with 42 CFR 423.520, as long as the claims are for services (a) authorized by Benecard (an authorized claim shall be any claim that did not "reject" when submitted via the PBF real-time claim system); (b) provided to an Eligible Member; and (c) billed according to arrangements set forth in the Agreement and this Amendment and Benecard policy. Any drug pricing standard in use for this Amendment shall be updated by Benecard every seven (7) days, beginning on January 1 of each year.

**I. Exclusion of Certain Persons.** Pharmacy shall not employ or contract for the provision of health care, utilization review, medical social work or administrative services with any individual excluded from participation in Medicare under Section 1128 or 1128A of the Social Security Act. Pharmacy hereby certifies that no such excluded person currently is employed by or under contract with Pharmacy relating to the furnishing of these services to Eligible Members.

**J. Effectiveness of Contracts and Amendments.** No contract between Pharmacy and Benecard shall be effective unless signed and dated by the relevant parties. Notwithstanding the foregoing or any other provision in the Agreement or this Amendment, Benecard shall have the right to amend the Agreement unilaterally as it deems necessary for purposes of compliance with all relevant federal and state laws, statutes, rules and regulations and governmental pronouncements. Any amendment to this Agreement requires prompt written notice to the Pharmacy, and consent by both parties. Pharmacy will be deemed to have consented to any proposed amendment for which Benecard does not receive written rejection within sixty (60) days of giving written notice of such proposed amendment. A timely rejection shall cause automatic termination of the Amendment.

**K. Compliance.** Pharmacy agrees to comply with all applicable federal laws and regulations, CMS instructions, and CMS contract obligations with Part D Plan Sponsor and Benecard to the extent those are provided to pharmacy in writing prior to executing this Amendment, and all Benecard policies, procedures and manual provisions. Pharmacy shall ensure that all of the requirements set forth in this Amendment shall be applicable and enforceable against any provider or "downstream" entity with whom Pharmacy contracts or any downstream entity to whom Pharmacy delegates any of its obligations under this Amendment.

**K. Delegation.** If Benecard delegates functions to Pharmacy, Pharmacy acknowledges that CMS may terminate such delegation if CMS determines that the delegated duties are not performed satisfactorily, notwithstanding any provision of the Agreement or this Amendment. If functions are delegated, the Agreement shall be amended to include a complete description of the delegated duties and reporting responsibilities.

**IN WITNESS WHEREOF,** the parties hereto have executed this Amendment intending to be legally bound.

**Benecard Services, Inc.**

**PHARMACY**



By:

Name: Nicholas J. Laurora

Title: Vice President Pharmacy Services

Date: May 19, 2012

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Pharmacy NCPDP #: \_\_\_\_\_

## **EXHIBIT 1 DELEGATION**

**Credentialing Delegation:** Each Participating Pharmacy agrees to the delegation from Benecard of credentialing and re-credentialing responsibilities for its pharmacy locations and pharmacists, and will perform such activities in accordance with the requirements of applicable state and federal regulations, the requirements of 42 CFR 423.505(i) (4), agreed to by Benecard and Participating Pharmacy at any time during the term of this Amendment.

The parties acknowledge that Benecard has the duty to monitor the credentialing and re-credentialing performance of each Participating Pharmacy on an ongoing basis. Upon Request, Participating Pharmacy shall provide Benecard with an attestation confirming that Participating Pharmacy locations and pharmacists have been credentialed in accordance with the standards as stated above.

Any delegation may be revoked by Benecard or CMS if it is determined that the delegated duties are not performed satisfactorily.



Form **W-9**  
(Rev. December 2011)  
Department of the Treasury  
Internal Revenue Service

## Request for Taxpayer Identification Number and Certification

Give Form to the  
requester. Do not  
send to the IRS.

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) in _____ <input type="checkbox"/> Other (see instructions) ▶	
	Address (number, street, and apt. or suite no.)	Requestor's name and address (optional)
	City, state, and ZIP code	
List account number(s) here (optional)		

<b>Part I Taxpayer Identification Number (TIN)</b>	
Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I Instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> on page 3.  Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.	
Social security number <div style="border: 1px solid black; width: 100%; height: 20px; position: relative;"> <span style="position: absolute; left: 10%; top: 50%; transform: translateY(-50%);">-</span> <span style="position: absolute; left: 40%; top: 50%; transform: translateY(-50%);">-</span> </div>	Employer identification number <div style="border: 1px solid black; width: 100%; height: 20px; position: relative;"> <span style="position: absolute; left: 10%; top: 50%; transform: translateY(-50%);">-</span> </div>

<b>Part II Certification</b>	
Under penalties of perjury, I certify that:	
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and 3. I am a U.S. citizen or other U.S. person (defined below).	
<b>Certification Instructions.</b> You must cross out Item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, Item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.	
<b>Sign Here</b>	Signature of U.S. person ▶ _____ Date ▶ _____

### General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

### Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.



**Enroll in the SmartD Rx Preferred Network**  
by signing and faxing back the two pages of this addendum to 888-723-6008



Pharmacy Network Addendum  
SmartD RxAlly Preferred Network  
For SmartD Rx Medicare Part D Prescription Drug Plans  
2013 Preferred Retail Pharmacy Rates

**Exhibit E**

This Addendum for Medicare Part D Preferred Retail Pharmacy Participation ("Addendum") is entered into between Benecard Services, Inc. ("Benecard"), a New Jersey corporation, and the undersigned pharmacy ("Participating Pharmacy") effective January 1, 2013, at the rates indicated below, for Participating Pharmacy's participation in the SmartD RxAlly Preferred Network (the "SmartD RxAlly Preferred Network") for the SmartD Rx Saver Medicare Part D Prescription Drug Plan and the SmartD Rx Plus Medicare Part D Prescription Drug Plan offered by Smart Insurance Company (collectively, the "SmartD Rx Plans"). By signing below, the undersigned hereby (1) enrolls as a Provider in the SmartD RxAlly Preferred Network for the SmartD Rx Plans, (2) agrees to the following discounts and Dispensing Fees for the SmartD RxAlly Preferred Network for the SmartD Rx Plans in accordance with the terms and conditions set forth herein, and (3) as more fully set out below, confirms that it is a pharmacy enrolled in the RxAlly Performance Network of Pharmacies (the "RxAlly Network"), or if is not so enrolled, does hereby apply to enroll in the RxAlly Network.

This Addendum is an addition to Benecard PBF's Retail Pharmacy Participation Agreement ("Agreement").

**Reimbursement Rates:**

Subject to the terms of the Agreement, including without limitation Section 2.4 of the Agreement, for each Covered Drug dispensed by Participating Pharmacy to a Member of the SmartD Rx Plans, Benecard shall pay Participating Pharmacy at the rates set forth below:

**On 1-83 Day Supply Fills:**

- Brand Name Drugs: Reimbursement will be the lesser of the following: (1) Average Wholesale Price of the dispensed Covered Drug less 15.75% of such AWP (AWP-15.75%) plus a Dispensing Fee of \$1.05; or (2) Participating Pharmacy's Usual and Customary Price, in each case less the Member's Cost Sharing Amount as calculated by Benecard in accordance with the terms of the SmartD Rx Plans as approved by CMS.
- Specialty Brand Name Drugs: Reimbursement will be the lesser of the following: (1) Average Wholesale Price of the dispensed Covered Drug less 16.50% of such AWP (AWP-16.50%) plus a Dispensing Fee of \$1.05; or (2) Participating Pharmacy's Usual and Customary Price, in each case less the Member's Cost Sharing Amount as calculated by Benecard in accordance with the terms of the SmartD Rx Plans as approved by CMS.
- Generic Drugs: Reimbursement will be the lesser of the following: (1) in the case of generic drugs covered by Benecard's MAC list, MAC plus a Dispensing Fee of \$1.05; (2) Average Wholesale Price of the dispensed Covered Drug less 20% plus a Dispensing Fee of \$1.05; or (3) Participating Pharmacy's Usual and Customary Price, in each case less the Member's Cost Sharing Amount as calculated by Benecard in accordance with the terms of the SmartD Rx Plans as approved by CMS.
- Generic Effective Rate not to exceed AWP - 76.50%.

**On > 83 Day Supply Fills:**

- Brand Name Drugs: Reimbursement will be the lesser of the following: (1) Average Wholesale Price of the dispensed Covered Drug less 19.50% of such AWP (AWP-19.50%) plus a Dispensing Fee of \$0.00, or Participating Pharmacy's Usual and Customary Price, less the Member's Cost Sharing Amount as calculated by Benecard in accordance with the terms of the SmartD Rx Plans as approved by CMS.
- Specialty Brand Name Drugs: Reimbursement will be the lesser of the following: (1) Average Wholesale Price of the dispensed Covered Drug less 19.50% of such AWP (AWP-19.50%) plus a Dispensing Fee of \$0.00, or Participating Pharmacy's Usual and Customary Price, less the Member's Cost Sharing Amount as calculated by Benecard in accordance with the terms of the SmartD Rx Plans as approved by CMS.
- Generic Drugs: Reimbursement will be the lesser of the following: 1) in the case of generic drugs covered by Benecard's MAC list, MAC plus a Dispensing Fee of \$0.00; (2) Average Wholesale Price of the dispensed Covered Drug less 20.00% plus a Dispensing Fee of \$0.00; or (3) Participating Pharmacy's Usual and Customary Prices, in each case less the Member's Cost Amount as calculated by Benecard in accordance with the terms of the SmartD Rx Plans as approved by CMS.
- Generic Effective Rate not to exceed AWP - 82.00%.

**Medicare Part D Vaccine Administration Fee: \$20.00** For dispensing and administration of Brand or Generic vaccines.

"Administration Fee" means the amount to be funded by the appropriate Sponsor and remitted by PBF to Participating Pharmacy for each administration of an injectable Covered vaccine/immunological Drug to Eligible Members by healthcare professionals certified to administer vaccines/immunological Drugs



**Enroll in the SmartD Rx Preferred Network**  
by signing and faxing back the two pages of this addendum to 888-723-6008

**Direct or Indirect Remuneration:**

Participating Pharmacy acknowledges and agrees that, as consideration for participating in the SmartD RxAlly Preferred Network, a "Direct or Indirect Remuneration" or "DIR" will be deducted from each bi-weekly remittance payment to Participating Pharmacy from Benecard and credited to the SmartD Rx Plans. The DIR deducted in each such bi-weekly remittance payment shall be equal to the total number of claims included in such bi-weekly remittance payment, multiplied by two dollars (\$2.00) per claim.<sup>1</sup>

**The RxAlly Network:**

It is a condition to participation in the SmartD RxAlly Preferred Network that pharmacies be members of and enrolled in the RxAlly Network. For a pharmacy to be a member of and enrolled in the RxAlly Network, a pharmacy must have contracted directly with RxAlly to enroll in the RxAlly Network.

**Participating Pharmacy either:**

- Hereby confirms that it is already a member of and enrolled in the RxAlly Network; or
- Hereby applies to become a member in the RxAlly Network, and in connection therewith, hereby accepts and agrees to be legally bound to the terms and conditions of the network agreement with RxAlly (the "RxAlly Network Agreement") (set forth at [www.RxAlly.com](http://www.RxAlly.com)), and authorizes this Exhibit E to be submitted to RxAlly as its application for enrollment into the RxAlly Network. Participating Pharmacy understands that it will receive a separate confirmation from RxAlly confirming its acceptance into and participation in the RxAlly Network. Notwithstanding the effective date above, this Addendum shall not become effective until RxAlly issues the confirmation of Participating Pharmacy's acceptance into and participation in the RxAlly Network.

**Medication Therapy Management Services:**

As a member of the RxAlly Network, Participating Pharmacy shall be eligible to provide Medication Therapy Management ("MTM") services to eligible Medicare Part D beneficiaries. Terms for participation in the RxAlly MTM program will be provided directly from RxAlly and shall be contracted for between RxAlly and Participating Pharmacy by execution of a separate addendum to the RxAlly Network Agreement.

**Home Delivery Service:**

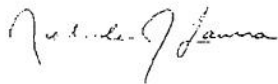
If Participating Pharmacy offers home delivery of medication to any of its customers, it must offer this service to Members of the SmartD Rx Plans and shall charge Members of the SmartD Rx Plans no more than its usual and customary delivery fee for this service.

**Defined Terms:**

All capitalized terms not otherwise defined in this Addendum shall have the meaning specified in the Agreement.

In witness whereof, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers.  
Benecard Services, Inc. Participating Pharmacy (Please fill in and sign below)

By:



Name: Nicholas J. Laurora

Title: Vice President Pharmacy Services

Date: August 1, 2012

Name of Pharmacy: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Pharmacy NCPDP#: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Date: \_\_\_\_\_

<sup>1</sup> For more information, please see the Frequently Asked Questions (FAQs) available at [www.RxAlly.com](http://www.RxAlly.com). Please note that those FAQs are not incorporated into or made a part of this Addendum or the Agreement.



NCPDP# 0541791  
Martin Luther King Jr-MACC OP Pharmacy  
Attn: Shane De Souza  
313 N. Figueroa St. Suite 701  
Los Angeles, CA 90012

#### Contract Instructions

Enclosed you will find your OptumRx Pharmacy Contract. Please complete the following instructions.

- **Contract Documents:** Please return the original contract documents that were provided by mail. Do not send copies. If a copy is received, the contract will not be processed. We will contact you for the original documents. To avoid processing delays, please take the time to review the agreement thoroughly and ensure all fields are complete. Please mail all required information to the following address:

OptumRx  
Pharmacy Contracts  
17900 Von Karman Ave.  
CA016-0200  
Irvine, CA 92614

- **Note:** Please do not make any extra markings on the contract pages other than the fields that require inserted information. This includes white-out. If you have any questions regarding the contract, please contact the Pharmacy Contracting Dept at 800-613-3591 option 7.
- Please be sure to complete the pharmacy information section as indicated on page 23, Exhibit A of the Base Agreement
- **Credentialing Information:** Upon returning the contract documents, please include a copy of the following information to avoid delays:

Pharmacy License  
Pharmacist in Charge License  
DEA  
Insurance Coverage  
Wholesaler invoice (must include pharmacy DEA # or State Lic #)

- **Processing Time:** The processing of the contract documents can take upwards of 15 business days to implement once they have been received. Delays will occur if contract documents are not completed and/or required credentialing information is not supplied. The processing time is subject to change without notice.

Please contact Pharmacy Contracts at 800.613.3591 Ext. 7 should you have any questions.

# Prescription Solutions



Re: Reinstatement of Published Medi-Span Average Wholesale Price ("AWP")  
for select Networks as part of the new Pharmacy Network Agreement

As you are aware, in 2009 Prescription Solutions implemented an adjusted AWP component within the Prescription Drug Compensation it reimburses pharmacies for providing Covered Prescription Services pursuant to the particular Prescription Drug Services Agreement by and between the pharmacy and Prescription Solutions. This implementation of adjusted AWP was to maintain the parties' relative economic positions as a direct result of the March 29, 2009 First Data Bank and Medi-Span AWP class action settlements that rolled back the AWP on approximately 5,000 drugs (the "Settlements"). Although FDB and Medi-Span initially announced their intent to discontinue publishing AWP within two (2) years after the Settlements, Medi-Span recently indicated it will continue to publish AWP for the foreseeable future.

As a result of the above and in response to industry demand, Prescription Solutions will begin the process to discontinue utilizing an adjusted AWP and will implement an unadjusted AWP as published by Medi-span for select networks. Therefore, effective October 1, 2011, Prescription Solutions will begin using the unadjusted AWP as published by Medi-Span for its clients using select networks, including the commercial N1 Network ("N1-P Network"). Not all Prescription Solutions networks will be adjudicating using the unadjusted AWP as published by Medi-Span. We expect all new networks with an effective date on or after October 1, 2011 to use the unadjusted AWP as published by Medi-Span.

The N1-P published AWP Network Prescription Drug Compensation terms and the legacy adjusted AWP N1 Network Prescription Drug Compensation will continue to maintain the parties' relative economic positions.

In the enclosed Pharmacy Network Agreement, the term "Average Wholesale Price" or "AWP" will refer to the "adjusted" AWP per Section 4.7.2 of the Pharmacy Network Agreement. Whereas the term, "Average Wholesale Price" or "AWP" will refer to the unadjusted AWP as published by Medi-Span.

Prescription Solutions expects the transition to adjudicating all claims using the unadjusted AWP as published by Medi-Span to occur over the next several years as clients migrate from the adjusted AWP to these new unadjusted AWP networks

## PHARMACY NETWORK AGREEMENT

This Pharmacy Network Agreement ("Agreement"), effective as of the noted date set forth by Administrator on the signature page hereto (the "Effective Date") is made and entered into by and between OptumRx, Inc., a California corporation, ("Administrator"), and [INSERT COMPANY NAME], a [INSERT STATE & TYPE OF LEGAL ENTITY (i.e. Delaware Corporation)], on behalf of itself and each of its Pharmacies (collectively, "Company"). Administrator and Company may be referred to in this Agreement individually as a "party" and collectively as "parties."

### RECITALS

A. Administrator has entered or in the future will enter into written agreements with Clients for certain consultative, administrative, network, and/or claims processing services in connection with the operation of that Client's Benefit Plan.

B. Company owns, operates or manages one or more pharmacies that are duly licensed and qualified to provide Covered Prescription Services to Members of Clients.

C. Company seeks to provide Covered Prescription Services to Members of Clients using its Pharmacies in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the foregoing premises, mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. Defined Terms. All capitalized terms contained in this Agreement will have the meanings as set forth herein or as defined in an addendum or exhibit to this Agreement.

1.1. "Administrator's Proprietary Information" shall mean: (i) this Agreement and all documentation now and hereafter related to the performance of this Agreement, including, without limitation, the Formulary and MAC list; (ii) Administrator's methods of doing business, including the Administrator's utilization review and quality assurance procedures and programs; (iii) any and all symbols, logos, trademarks, trade names, service marks, patents, inventions, copyrights, copyrightable material, trade secrets, personnel information, operating manuals, memoranda, work papers, notes, reports, customer or client lists, business information, operational techniques, prospect information, marketing programs, plans, and strategies, operating agreements, financial information and strategies, and computer software and other computer-related materials developed or used in Administrator's business; and (iv) any documents, materials, or items not specifically listed above, which Administrator designates as its proprietary information.

1.2. "Affiliate" shall mean with respect to any person or entity, any other person or entity which directly or indirectly controls, is controlled by or is under common control with such person or entity.

1.3. "Average Wholesale Price" or "AWP" shall mean and refer to the average wholesale price of a Covered Prescription Service based on the Med-Span Prescription Pricing Guide (with Supplements) or any other nationally recognized pricing source selected by Administrator (the "Pricing Source"), as updated at least monthly and as modified in Section 4.7.2 of "Changes to AWP/AWP", below.

1.4. "Average Wholesale Price" or "AWP" shall mean the average wholesale price of a Covered Prescription Service based on the Pricing Source, as updated at least monthly, without any adjustments made by any entity other than the Pricing Source.

1.5. "Benefit Plan" shall mean the benefit provided to Members, including under any Medicaid, MA-PD Plan or Prescription Drug Plan. Benefit Plan coverage shall include, without limitation, any



deductible or coverage gap provided for under such coverage, without regard to any subsidy by any third party of a Member's cost sharing obligations under the applicable Benefit Plan.

- 1.6 "Brand Name Drug" shall mean a drug marketed under a proprietary and trademark-protected name.
- 1.7 "Claim" shall mean a Pharmacy's billing or invoice for a single Prescription for Covered Prescription Services dispensed to a Member.
- 1.8 "Claims Processor" shall mean Administrator or a third party pharmacy claims processor with which Administrator may contract.
- 1.9 "Clean Claim" shall mean a Claim, prepared in accordance with the standard formats promulgated by the National Council for Prescription Drug Programs, electronic, batch, and on paper, which contains all of the information necessary for processing (including, without limitation, the Member identification number, the Member's name and date of birth, Prescription Drug Product NDC number, drug quantity, days supply, health care provider DEA/NPI number, NCPDP/NPI number, date of service, Submitted Cost Amount and the Usual and Customary Charge). Claims submitted in non-NCPDP standard format will not be considered a Clean Claim and will be subject to an additional claim processing charge. A Claim shall not be considered a "Clean Claim" if at Administrator's sole discretion it determines that such Claim is (i) discrepant, false and/or fraudulent, (ii) by an individual not authorized under applicable law or regulation to write or direct the related Prescription, or (iii) with respect to any Benefit Plan that is a "Federal health care program" as defined in 42 U.S.C. 1320a-7b, relates to a Prescription written or directed by an individual who is excluded from participation in any Federal health care program pursuant to applicable federal or state law (individually and collectively, a "Non-Clean Claim"). Administrator's Non-Clean Claim determination shall be applicable regardless of whether Administrator, Client, Member, Company, and/or Pharmacy was aware of the same at the time such Prescription was processed by Pharmacy. Any amounts paid by any Member, Administrator or Client for such Non-Clean Claim shall be subject to recoupment from Pharmacy by Administrator.
- 1.10 "Client" shall mean any person or entity which has entered into, or in the future enters into, a written agreement with Administrator pursuant to which Administrator provides certain consultative, administrative, and/or claims processing services in connection with the operation of one or more Benefit Plans sponsored, issued or administered by such person or entity and/or that person's or entity's customer.
- 1.11 "Client's Proprietary Information" shall mean the Client's Benefit Plans and the information contained therein, including without limitation (i) information related to Members, employer groups, and participating providers, (ii) the financial arrangements between Clients and their Members, employer groups, and participating providers (iii) any and all symbols, logos, trademarks, trade names, and service marks developed or used in Client's business, and (iv) any documents, materials, or items not specifically listed above, which Client designates as its proprietary information.
- 1.12 "Cost-Sharing" or "Cost-Sharing Amounts" shall mean those coinsurance, copays, or other amounts which Company is entitled to collect from a Member for Covered Prescription Services in accordance with the terms and conditions of the Member's Benefit Plan.
- 1.13 "Covered Prescription Services" shall mean those Prescriptions and other pharmaceutical products, services and supplies dispensed by Company to a Member for which coverage is provided pursuant to the terms and conditions of the Benefit Plan.
- 1.14 "CMS" shall mean the Centers for Medicare and Medicaid Services, or any successor Government Authority.

- 1.15 "Drug Product" shall mean the Brand Name Drug or Generic Drug which is (i) required under applicable laws and regulations to be dispensed only pursuant to a Prescription and (ii) is approved by the FDA.
- 1.16 "Formulary" means the entire list of Drug Products, devices, products and/or supplies covered by the applicable Benefit Plan.
- 1.17 "FDA" shall mean the Federal Food and Drug Administration, or any successor Government Authority.
- 1.18 "Generic Drug" shall mean and refer to a drug product, whether identified by its chemical, proprietary or non-proprietary name, which is accepted by the FDA as therapeutically equivalent to an originator Drug Product.
- 1.19 "GLB" means the Financial Modernization Act of 1999 also known as the Gramm-Leach-Bliley Act (codified at 15 USC § 6801 *et seq.*), together with any rules and regulations from time to time promulgated thereunder, as may be amended, modified, revised or replaced or interpreted by any Governmental Authority or court.
- 1.20 "Government Authority" shall mean and include, but not limited to the Federal government, any state, county, municipal, or local government or any governmental department, political subdivision, agency, bureau, commission, authority, body or instrumentality or court, that might regulate the activities or operations of either party or parties' Affiliate or Client.
- 1.21 "HIPAA" shall mean and refer to the Health Insurance Portability and Accountability Act of 1996, and the rules and regulations adopted by HHS pursuant to HIPAA, including the Standards for Privacy of Individually Identifiable Health Information and the Security Standards for the Protection of Electronic Protected Health Information, 45 CFR parts 160 and 164 (subparts A, C, and E) as each may be amended, modified, revised or replaced or interpreted by any Government Authority or court.
- 1.22 "HHS" means the United States Department of Health and Human Services or any successor Government Authority.
- 1.23 "MA-PD Plans" shall mean the CMS-approved MA-PD plans sponsored, issued or administered by Clients, as defined at 42 C.F.R. §423.4, and includes, but is not limited to, private fee for service plans and special needs plans as defined in the Medicare Advantage rules and any CMS demonstration programs that provide prescription drug benefits. For purposes of this Agreement, "MA-PD Plan" also includes any employer-sponsored MA-PD plan referenced in 42 C.F.R. §422.106.
- 1.24 "Marks" shall mean the name(s), logo(s), and other proprietary symbols and phrases belonging to an entity.
- 1.25 "Maximum Allowable Cost" or "MAC" shall mean the lists developed by Administrator specifying the maximum unit ingredient cost payable to Company for dispensing any Drug Product included on such lists. Company acknowledges that MAC is subject to periodic review and modification by Administrator.
- 1.26 "Member" or "Beneficiary" shall mean an individual who is eligible and enrolled to receive coverage through a Benefit Plan from a Client for Covered Prescription Services.
- 1.27 "NCPDP" shall mean the National Council of Prescription Drug Programs
- 1.28 "NPI" shall mean the National Provider Identifier.

- 1.29 "Pharmacy" or "Pharmacies" shall mean each or all Company's eligible Pharmacy or Pharmacies participating in Administrator's network in accordance with the Agreement, addenda, exhibits, subsequent amendments, etc. and as specified on Exhibit A.
- 1.30 "Pharmacy Plan Specifications" shall mean information made available by Administrator to assist Company in submitting a claim for Covered Prescription Services
- 1.31 "Pharmacy Manual" shall mean the rules, protocols, policies and administrative procedures adopted by Administrator to be adhered to by Company in providing Covered Prescription Services and doing business with Administrator and Client under this Agreement, which is hereby incorporated by reference into this Agreement.
- 1.32 "POS System" shall mean the online or real time (point-of-sale) telecommunication system used to communicate information including, but not limited to, Covered Prescription Services.
- 1.33 "Prescription" shall mean and refer to a written or oral order to dispense a Drug Product directed by an appropriately licensed and qualified health care professional in accordance with Federal and/or state law.
- 1.34 "Prescription Drug Plans" or "PDP Plans" shall mean the CMS-approved Medicare Part D prescription drug coverage offered under a policy, contract or plan that is sponsored, issued or administered by Clients pursuant to a contract with CMS, as defined in 42 C.F.R. §423.4, and includes, but is not limited to, any CMS demonstration programs that provide prescription drug benefits. For purposes of this Agreement, Prescription Drug Plan or PDP Plan also includes any employer-sponsored group prescription drug plans, as defined in 42 C.F.R. §423.454.
- 1.35 "Prescription Drug Compensation" shall mean the reimbursement, remuneration, compensation, or other payment, as set forth in Section 4.1 provided to Company by Administrator for the provision of Covered Prescription Services to Members.
- 1.36 "Prescription Drug Contracted Rate" shall have the meaning set forth in the applicable Compensation Exhibit[s] attached to one or more of the addenda to this Agreement.
- 1.37 "Specialty Drugs" shall mean and include biotechnology products, orphan drugs used to treat rare diseases, typically high-cost drugs, oral or injectable medications, including infusions in any outpatient setting, drug requiring on-going frequent management/monitoring of the patient by clinician or drugs used to treat chronic and potentially life-threatening diseases.
- 1.38 "Submitted Cost Amount" shall mean the submitted ingredient costs, dispensing fees and all other submitted costs incurred by a Pharmacy for dispensing of a Drug Product, device, product and/or supply
- 1.39 "United States Territories" shall mean the U.S. Virgin Islands, Guam, Saipan, Puerto Rico, Northern Mariana Islands, and American Samoa.
- 1.40 "Usual and Customary Charge" shall mean the price, including all applicable customer discounts, such as special customer, senior citizen and frequent shopper discounts, that a cash paying customer pays Company for Drug Products, devices, products and/or supplies.

## 2 Duties and Obligations of Administrator.

- 2.1 Information and Pharmacy Plan Specifications Administrator shall provide or make available to Company (via POS System) the information Company reasonably needs to dispense Covered Prescription Services and perform its other obligations under this Agreement, including the Pharmacy Plan Specifications, benefit coverage information (such as Cost-Sharing Amounts, deductible limits, covered drugs, benefit exclusions, and days' supply), administrative and utilization review requirements, eligibility information, Formulary information and information regarding the policies and procedures for claims submission and payment. Administrator may

add such new information and Pharmacy Plan Specifications or amend, revise, or terminate existing information or Pharmacy Plan Specifications in its sole and absolute discretion upon ten (10) days prior written notice to Company.

- 2.2 Claims Processing. Administrator will arrange for the processing and payment of Company's claims for Covered Prescription Services dispensed to Members in accordance with Members' Benefit Plan.

- 2.3 Use of Third Parties. Administrator may contract with third parties for claims processing, eligibility, or other duties or obligations Administrator is required to perform under this Agreement.

### 3. Duties and Obligations of Company

- 3.1 Scope of Obligations. Company represents and warrants to Administrator that it has the legal authority to bind each Pharmacy identified on Exhibit A, which will be utilized by Company, either directly or indirectly, whether through one or more Affiliates or otherwise, to provide Covered Prescription Services to Members. Company represents, warrants, and covenants that all of the obligations of Company hereunder shall also be the obligations of such Pharmacy locations. Company agrees that it shall ensure that all Pharmacy locations which will be utilized by Company, either directly or indirectly, whether through one or more Affiliates or otherwise, to provide Covered Prescription Services to Members, shall comply with all of the requirements of this Agreement, addenda, exhibits, Pharmacy Manual and with all applicable laws and regulations relevant to performance under this Agreement and with Company's and Pharmacies' operations in general.

- 3.2 Participation in Client's Benefit Plan Network. By executing this Agreement, Company is agreeing to participate in the network for Benefit Plans offered or administered by Clients. Company will provide Covered Prescription Services to Members in a safe, diligent and professional manner, in accordance with applicable laws and regulations, this Agreement, Pharmacy Plan Specifications, Pharmacy Manual and any other applicable documents provided or made available by Administrator.

#### 3.3 Dispense Covered Prescription Services.

- 3.3.1 Member's Eligibility Status. Prior to dispensing Covered Prescription Services, Company shall verify whether the individual receiving such Covered Prescription Services is an eligible Member. Such verifications shall be performed by Company using the POS System or such other process as identified by Administrator. If Company is unable to confirm a Member's eligibility, then Company shall call Administrator's Pharmacy Help Desk or equivalent pharmacy service department. In the event that Company fails to verify Member eligibility, neither Administrator nor Client shall have any obligation to compensate Company for any Covered Prescription Services dispensed to persons who are not eligible Members at the time such drugs are dispensed.

- 3.3.2 Formulary and Generic Drug. In the provision of Covered Prescription Services, Company and each Pharmacy location shall use its best efforts, in accordance with all applicable state and federal law, to adhere to and promote the Formulary, except to the extent Company is: (i) prohibited by state law, or (ii) otherwise directed by Administrator through the POS System. If (i) neither the Prescription nor applicable state or federal law prohibit substitution of a generic drug equivalent for the Drug Product, and (ii) Company or the Pharmacy location obtains consent from the Member and the Member's physician, when and if required by applicable state or federal law, then Company shall dispense a generic drug equivalent for the Drug Product to the Member.

- 3.3.3 Cost-Sharing Amounts. Claims Processor shall communicate to Company (via the POS System) the Cost-Sharing Amounts applicable to Covered Prescription Services

Unless otherwise required under this Agreement, Company shall collect the full Cost-Sharing Amounts (if any) that are applicable to Covered Prescription Services being dispensed to Members. Company agrees that it shall not at any time seek reimbursement for Cost-Sharing Amounts from Administrator or any Client. This Section 3.3.3 shall survive expiration or termination of the Agreement. In the event that the Cost-Sharing Amount is greater than the Prescription Drug Compensation, the Client's liability for such Claim shall be \$0.00.

### 3.4 Specific Pharmacy Requirements.

- 3.4.1 Eligibility. In order to be eligible to participate as a Pharmacy in Administrator's network, Pharmacy shall not have previously been suspended, terminated or excluded from Administrator's network in the past five (5) years for failing to adhere to the terms of this Agreement or any prior or subsequent agreements with Administrator or Administrator's successor. If any Pharmacy location owned or operated by Company was suspended, terminated or excluded from Administrator's network in the past five (5) years, such Pharmacy location shall not be eligible to provide services under this Agreement, unless otherwise permitted by Administrator in its sole and absolute discretion.
- 3.4.2 Pharmacies. Unless otherwise provided herein, Company shall provide Administrator with the information specified on Exhibit A attached hereto for each Pharmacy utilized by Company to provide Covered Prescription Services. Company shall promptly notify Administrator in writing of any changes (except for additions or deletions of Pharmacies, as noted below in section 3.4.3) to the information set forth on Exhibit A.
- 3.4.3 Additions or Deletions of Pharmacies. Company shall provide Administrator with at least thirty (30) days written notice prior to adding a new Pharmacy location for use in providing Covered Prescription Services to Members, which new Pharmacy location shall satisfy and comply with all terms and conditions of this Agreement and subject to Administrator's approval. In the event Company acquires or is acquired by, merges with, or otherwise becomes affiliated with another provider of pharmacy services that is already under contract with Administrator to participate in Administrator's pharmacy network, this Agreement and the other agreement will each remain in effect and will continue to apply as they did prior to the acquisition, merger, or affiliation, unless otherwise agreed to in writing by all Parties to such agreements. Company shall promptly notify Administrator immediately of any actual or pending termination or suspension in the operation of any Pharmacy location identified in Exhibit A.
- 3.4.4 Administrator's and Client's Approval Required. Administrator and Client, at the sole and absolute discretion of each, shall have the right to immediately limit a Pharmacy's participation in Administrator's pharmacy network for such Client's Benefit Plan. Administrator shall notify Company as soon as reasonably practicable of Client's or Administrator's decision to disapprove a Pharmacy for inclusion in the Client's pharmacy network or decision to suspend, revoke or terminate a Pharmacy from participation in the Client's pharmacy network.
- 3.4.5 Credentialing. Company represents, warrants, and covenants that Company regularly monitors and provides oversight of the operations at each of its Pharmacies and their pharmacists and maintains a credentialing program for itself and each of its Pharmacies. Company agrees that Administrator and Administrator's Clients have the right to monitor and oversee Company's credentialing program. Accordingly, upon reasonable advance notice, Company will provide Administrator or Administrator's Clients with on-site access to all records maintained by Company relating to the credentialing of each Pharmacy and all pharmacists which provide Covered Prescription Services to Members or, at Administrator's election, Company shall provide Administrator with copies of such records (including then-current credentialing policies and procedures) and/or certifications of Company's compliance with this

Section. Notwithstanding the foregoing, Company acknowledges that Administrator or Administrator's Clients may independently verify licenses, insurance coverage, and any debarment or disciplinary action related to all pharmacists who provide Covered Prescription Services to Members, as such verifications may be required of Administrator's Clients by state or federal laws or otherwise. In addition, Company shall submit the information specified in the credentialing requirements document, which was provided to the Company, to Administrator prior to the execution of the Agreement and, thereafter for each applicable license, no less than thirty (30) days prior to the renewal date for such license so that Administrator and Administrator's Clients may determine whether Company has met Administrator's credentialing requirements.

- 3.4.6 Company's Compliance Program. Company represents, warrants, and covenants that the Company does and shall maintain a compliance monitoring program pursuant to which the Company, on no less frequently than an annual basis, verifies the licenses, insurance coverage, and any disciplinary actions (including but not limited to any debarment, exclusion, ineligibility, or conviction described in Section 3.4.7 of this Agreement) related to all facilities and personnel utilized by Company to provide Covered Prescription Services to Members. Company agrees to provide updated information relating to such matters to Administrator upon request or within thirty (30) days following a change in any such information (including the addition of a new Pharmacy location) and, in any event, no less frequently than annually.
- 3.4.7 Debarment. Company represents, warrants, and covenants that neither the Company nor, to the best of Company's knowledge, any Pharmacy (including pharmacies currently in the network and new pharmacies included in the network after execution of this Agreement) location, pharmacist, subcontractor, or other personnel furnishing (or which will furnish) Covered Prescription Services to Members have been or will be (i) listed as debarred, excluded, or otherwise ineligible for participation in federal health care programs or (ii) convicted of a criminal felony. If at any time Company becomes aware of any violation of this representation and warranty, Company shall notify Administrator immediately in writing and shall prevent such personnel or Pharmacy location from providing Covered Prescription Services to Members. If Company itself becomes debarred, excluded or otherwise ineligible or if Company has not taken the actions required of it in the preceding sentence, the Administrator may immediately terminate this Agreement upon written notice to Company without liability to Administrator or Administrator's Clients or take such other corrective or remedial actions as Administrator reasonably believes is appropriate.
- 3.4.8 Signature Log. Company agrees to maintain a signature log at each Pharmacy. As a condition to reimbursement under this Agreement, each signature log will contain the signature of the Member or their authorized agent confirming receipt of the prescription, the Benefit Plan name, Covered Prescription Service number, the date of receipt and any Administrator-required certifications. If Company desires to use an alternative method for documentation of receipt of Covered Prescription Services, Company will provide sufficient information to Administrator for Administrator to determine whether such method will meet Administrator's requirements and Administrator in its sole discretion will provide its approval for use of the alternative method in writing.
- 3.5 Drug Utilization Review. At all times during the term of this Agreement, Company shall cooperate with, support and remain in compliance with the utilization review, medication therapy and quality assurance programs of Administrator or its Clients.
- 3.6 Pharmacist Independence. Company and Administrator acknowledge that the dispensing pharmacist must use independent professional judgment when dispensing Covered Prescription Services and may refuse to dispense any Covered Prescription Service based on the pharmacist's professional judgment.

- 3.7 Non-Discrimination. Company shall provide services to Members in the same manner and in accordance with the same standards as Company provides services to its other customers. Company shall not discriminate against any Member in its provision of Covered Prescription Services for any reason, including, but not limited to, race, sex, color, religion, national origin, age, gender, marital status, physical or mental handicap, health status, health insurance coverage, sexual preference or status as a Member.
- 3.8 Member Claims and Grievances. Company shall promptly notify Administrator of receipt of any claims, including professional liability claims, filed or asserted by a Member against Company, subcontractor, agent and/or any pharmacist employed or contracted by Company. Company shall provide as soon as possible information regarding the claim as reasonably requested by Administrator and/or Client. In addition, Company shall cooperate with Members, Administrator and/or applicable Client in identifying, processing and resolving all Member complaints, grievances and appeals.
- 3.9 No Unrequested Prescription Transfers. Company shall not transfer any Prescriptions to another company except upon the express request of a Member, Administrator, or applicable Client.
- 3.10 No Mail Fulfillment or Solicitation. Company shall not solicit a Member for mail delivery or deliver any Covered Prescription Services to a Member by mail, except upon the advance written approval of Administrator, which approval may be refused in Administrator's sole discretion.
- 3.11 No Solicitation to Transfer Prescriptions. To the fullest extent permitted by applicable laws and regulations, Company shall not solicit any Member to transfer any Prescriptions to any other pharmacy, irrespective of pharmacy type and irrespective of whether such pharmacy is a Company Affiliate. Solicitation shall mean conduct engaged in by an officer, agent, or employee of Company or any Pharmacy, their respective assignees or successors, or any other person during the term of the Agreement which may be reasonably interpreted as designed to persuade a Member to transfer a Prescription to any pharmacy other than the Pharmacy at which the Prescription is located. This Section shall not apply if the transfer is due to an addition of a new Pharmacy or the termination or closing of a Pharmacy currently providing services to Members.
- 3.12 Medicare Supplier Number. Administrator encourages Company to obtain and maintain for each Pharmacy a Medicare Part B supplier number pursuant to 42 CFR § 424.57. Company agrees to inform Administrator of the Medicare Part B supplier number assigned to those Pharmacies which have obtained such supplier numbers from CMS for recordkeeping purposes and to identify those Pharmacies as having Medicare Part B supplier numbers in the pharmacy network directories maintained by or on behalf of Administrator's Clients.
- 3.13 Compliance with Applicable Laws.
- 3.13.1 Licenses and Permits. Company shall obtain and maintain all federal, state and local approvals, licenses, accreditation, permits and certifications (collectively, "Licenses") required to operate as a pharmacy at each location identified on Exhibit A. Company will notify Administrator within two (2) days of any suspension, revocation, condition, limitation, qualification or other restriction on any of its Licenses.
- 3.13.2 Pharmacist and Employee Compliance. Company shall ensure that all pharmacists who are employed or contracted by Company and who dispense Covered Prescription Services to Members are properly credentialed, accredited, licensed to practice and are insured in accordance with this Agreement. Company shall also ensure that all its employees and contractors, including pharmacists, perform their duties in accordance with the applicable standards of professional ethics and practice. Company will notify Administrator within two (2) days of any suspension, revocation, condition, limitation, qualification or other restriction on any pharmacist-in-charge's license.

- 3.13.3 Compliance with Regulatory Laws Applicable to Administrator's Clients. Company acknowledges and understands that Administrator's Clients may be licensed, authorized under, or subject to, state and federal laws or regulations. Company shall familiarize and train itself and each Pharmacy location regarding any state or federal regulatory laws applicable to the provision of Covered Prescription Services to Members and shall abide by all such applicable laws. Without limiting the generality of the foregoing, if a provision is required to be included in this Agreement by laws or regulations or related guidance applicable to any one or more Clients whose Members are being serviced by the Company, then Administrator may unilaterally amend this Agreement upon no less than thirty (30) days prior written notice to Company to include such provision within this Agreement without any further action by the parties.
- 3.13.4 General Compliance with Applicable Laws and Regulations. Company shall be responsible for determining and complying with all laws and regulations applicable to the furnishing of the Covered Prescription Services and its performance of this Agreement. If a party's performance as required under this Agreement is prohibited by or in conflict with any applicable laws and regulations, then the party whose performance is owed or required shall be required to perform, but only to the extent permitted by such applicable laws and regulations. Any provisions now or hereafter required to be included in this Agreement by applicable laws and regulations or by any other Government Authority of competent jurisdiction shall be binding upon and enforceable against the parties hereto and be deemed incorporated herein, irrespective of whether or not such laws and regulations are expressly provided for in this Agreement.
- 3.13.5 Reports. Company shall provide Administrator with any report(s), data or other information which Administrator may reasonably request in a format, via a medium, and at a frequency reasonably determined by Administrator or Administrator's Clients or as otherwise required by applicable laws and regulations. Company shall be responsible for the integrity and accuracy of all data furnished or transmitted by Company to Administrator or Claims Processor, and shall correct all errors in such data within ten (10) business days of being made aware thereof. To the extent such reports, data or other information is required for compliance with applicable laws and regulations, including but not limited to Medicare Laws and Regulations, Company shall certify as to the accuracy and validity of such report, data or other information prior to submission to Administrator. If Company fails to timely comply with providing Administrator with any reports, data or other information required by applicable laws or by any Government Authority, Company shall reimburse Administrator for any penalty, fine, etc. incurred by Administrator or Administrator's Clients.
- 3.14 Delegation. Company shall not delegate any service, activity or other obligation required of it under the Agreement, as amended, (including the provision of Covered Prescription Services by Company Pharmacies to Plan Members), to an Affiliate or third party, without the prior written consent of Administrator, and when necessary, all applicable Clients, as determined in the sole and absolute discretion of each of them, as may be communicated by Administrator. No consent may be obtained until Administrator has received a fully executed copy of each agreement between Company and a delegatee that relates to the proposed delegation. Any such agreement must provide that it will terminate (i) completely if Administrator revokes an agreement on the delegation or (ii) as to an affected Client if the Client revokes the delegation. Any such delegation, if consented to (an "Approved Delegation"), shall be performed by the delegate in accordance with the Clients' respective contractual obligations and in accordance with Company's contractual obligations hereunder. Company agrees that any agreements of Company or any Company Pharmacy with respect to an Approved Delegation shall be in writing, signed by the parties to be bound thereby and in compliance with all applicable laws and regulations. In the event that a delegate of Company or a Company Pharmacy fails or is unable (for any reason whatsoever) to perform in a satisfactory manner any services, activities or other obligations which have been sub-delegated pursuant to an Approved Delegation then



Administrator or any affected Client shall have the right to suspend, revoke or terminate such Approved Delegation effective upon the date set forth in a written notice furnished to Company and Company shall continue to be responsible to perform such duties and obligations of the Agreement. Additionally, an affected Client shall have the right to institute corrective action plans or seek other remedies or curative measures respecting the unsatisfactory Approved Delegation consistent with applicable laws and regulations. Any attempted sub-delegation by Company or a Company Pharmacy which is not an Approved Delegation shall be null and void and of no force or effect.

- 3.15. Compliance with Pharmacy Manual. Company shall comply with the Pharmacy Manual. Any of the rules, policies, administrative procedures and guidelines adopted by Administrator may be distributed in the form of a Pharmacy Manual or in other communications, including, but not limited to a website identified by Administrator. The Pharmacy Manual may change from time to time. Any such changes shall be binding on Company.

4. Compensation.

- 4.1 Prescription Drug Compensation Amounts. Administrator acting on behalf of such Clients, will process the Prescription Drug Compensation owed to Company for each Covered Prescription Service dispensed to Members based on the rates and under the terms and conditions of the applicable attached Compensation Exhibits. Administrator may modify Prescription Drug Compensation upon sixty (60) days prior notice to Company. Company understands and agrees that Administrator is not responsible for the funding of Claims, is not a guarantor or insurer of the funding for Claims payment, and is not financially responsible or liable in any respect for the payment of Claims.

4.2 Claims Submission

- 4.2.1 Covered Prescription Services. Company shall and shall ensure that each Pharmacy (i) verify in real time, through the POS System, whether the original or refill Prescription provided by a Member is for Covered Prescription Services, and (ii) follow any instructions, unless prohibited by state or federal law, communicated by Administrator to Company, including, but not limited to, what, if any, Cost-Sharing Amounts the Company shall collect from the Member.
- 4.2.2 Claims Submission. In order to receive payment, each Pharmacy must submit a Clean Claim to Claims Processor for each Covered Prescription Service dispensed via the POS system. Company is responsible for the payment of any and all transaction charges or fees associated with the transmission of claims or claim information to Administrator. A Clean Claim must be submitted to Claims Processor within thirty (30) days after the date of service. If any Claim is rejected or if additional information is required for further processing by Administrator or its Claims Processor, Company must resubmit the Claim within sixty (60) days of Company's receipt of such rejected Claim provided that the resubmitted Claim may only be processed and paid if it is a Clean Claim and subject to receipt of payment from the applicable Client. Unless otherwise agreed to in writing by the Administrator, Claims submitted after the time periods set forth in this Section 4.2.2 will not be eligible for payment.
- 4.2.3 Prohibition on Repackaging and Reimportation. Company shall not submit, and Administrator is not responsible for payment for, (i) claims for Covered Prescription Services that use a National Drug Code ("NDC") for a repackaged drug or (ii) claims for Covered Prescription Services filed using drugs imported or reimported into the United States.
- 4.3 Claims Processor Charges. Company shall be responsible for paying each of the separate amounts charged by Claims Processor if and when applicable: (i) a per Claim communications charge for on-line electronic claims processing through the POS System; (ii) surcharges for cancelled or reversed Claims performed by Administrator; (iii) a charge if Company requests an

evidence of benefit report in any format (electronic or paper); (iv) a charge if Company requests copies of endorsed checks(s); and (v) a per Claim charge for processing Claims that were submitted in a non-NCPDP format (collectively items (i) through (v) shall be referred to as the "Claims Processor Charges"). Each of the Claims Processor Charges is subject to change by Claims Processor Administrator shall notify Company in writing of any change to the applicable Claims Processor Charges no less than fifteen (15) days prior to implementation of such change. Company agrees that any applicable Claims Processor Charges may be deducted and recouped from any Prescription Drug Compensation due to Company or Pharmacy hereunder.

- 4.4 Adjustments. At Administrator's option, Administrator may obtain reimbursement for overpayments made to Company either by recouping such amounts against future payments due or by requiring reimbursement of such overpayments from Company, which Company will pay to Administrator within fifteen (15) days of notice thereof.
- 4.5 Payment in Full. The Prescription Drug Compensation together with any Cost-Sharing Amounts for which Member is responsible under the Benefit Plan is payment in full for any Covered Prescription Service provided by Company to a Member. Company will not seek to recover, and will not accept any payment from Member, Administrator, Client, or any other person or entity, in excess of payment in full as provided in this Section 4.5, regardless of whether such amount is less than Pharmacy's Usual and Customary Charge.
- 4.6 Hold Harmless. Company agrees that, with the exception of (i) Cost-Sharing Amounts, (ii) reasonable returned check costs, and (iii) reasonable collection costs directly related to subparts (i) or (ii), Company shall not in any event, including, without limitation, non-payment by Administrator or a Client, insolvency of Administrator or a Client, or breach of this Agreement, bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, hold responsible, or otherwise have any recourse against any Member, or any other person (other than the applicable Client) acting on behalf of any Member, or attempt to do any of the foregoing for any Covered Prescription Services provided to any Member pursuant to the Agreement. This Section shall survive termination of the Agreement.
- 4.7 Changes to "AWP/AWP"
- 4.7.1 Company acknowledges that Administrator shall be entitled to rely on Medi-Span or the publisher of any other nationally recognized Pricing Source selected by Administrator to determine AWP and "AWP" for purposes of establishing the pricing under this Agreement. Company further acknowledges that Administrator does not establish AWP, and Administrator shall have no liability to Company arising from the use of the Medi-Span Pricing Guide or information received from any other Pricing Source.
- 4.7.2 With respect to the term "Average Wholesale Price" or "AWP" as used in any exhibit or rate sheet that establishes compensation to Company or a Pharmacy, such "Average Wholesale Price" or "AWP" is derived by Administrator's adjusting AWP as follows to account for the September 26, 2009 rollback of AWP implemented by Medi-Span ("AWP Rollback").
- (a) Administrator shall adjust the Medi-Span AWP Pricing Information for each of the Affected NDCs to reflect the markup factors utilized by Medi-Span immediately prior to the AWP Rollback. "Affected NDCs" shall mean all NDCs with adjusted markup factors by the Pricing Source pursuant to the AWP Rollback
  - (b) New NDCs with markup factors used by the Pricing Source shall be adjusted by Administrator to reflect a markup factor of 1.25. "New NDCs" shall mean those NDCs first issued and listed on the Medi-Span AWP Pricing Information after the effective date of the AWP Rollback.

5. Term and Termination.

5.1 Term. The term of this Agreement shall commence on the Effective Date and shall continue thereafter for a period of one (1) year, unless earlier terminated pursuant to the terms of this Agreement. At the conclusion of the initial term of this Agreement, the term of the Agreement shall automatically extend for additional one (1) year periods, unless (i) earlier terminated pursuant to the provisions of this Section 5 or as permitted elsewhere in this Agreement, or (ii) either party is Insolvent, and in that event, the Term may only be extended in writing by the party that is not Insolvent. The term Insolvent shall mean "Insolvent" as defined in this Section 5.

5.2 Termination.

5.2.1 Termination by Either Party Without Cause. The parties agree that this Agreement may be terminated, without cause and for a party's convenience: (i) upon forty-five (45) days (or if applicable state law requires a longer advance notice period, such longer period) advance written notice to Company if this Agreement is terminated by Administrator; or (ii) upon one hundred eighty (180) days advance written notice to Administrator if this Agreement is terminated by Company.

5.2.2 Termination by Either Party For Cause. Except as otherwise provided in Section 5.2.3 below, Company or Administrator may terminate this Agreement for cause, including without limitation for a material breach, upon no less than forty-five (45) days (or if applicable state law requires a longer advance notice period, such longer period) prior written notice to the other party.

5.2.3 Immediate Termination. Administrator may terminate, suspend or revoke this Agreement immediately upon written notice to Company if (i) Company's or pharmacist's license or permit necessary to perform services under this Agreement is suspended or revoked, (ii) Company or pharmacist violates any federal or state law regarding the compounding, sale, dispensation, storage, packaging or use of any Drug Product, device, products or supplies dispensed to Members, (iii) Administrator reasonably believes that Company or pharmacist is or has been engaged in fraudulent activity in violation of state or federal law; (iv) Company or pharmacist provides substandard, inferior, contaminated, or adulterated drugs to any Member; (v) Company engages in mail fulfillment in violation of Section 3.10 without Administrator's written authorization; (vi) Administrator determines in its sole and absolute discretion that Company or pharmacist has violated Administrator's policies and procedures, including without limitation those included in the Pharmacy Manual in the provision of Covered Prescription Services; (vii) a Client or Governmental Authority directs Administrator to terminate its relationship with Company; (viii) Company is otherwise non-compliant with the Pharmacy Manual, (ix) Company violates any law or regulation relevant to performance under this Agreement and with the Company's operations in general; (x) Company exceeds the scope of any license to use Administrator's or any Client's intellectual property; or (xi) Company misuses Administrator's or any Client's trade secrets.

5.2.4 Termination of Particular Pharmacy. Administrator and each Client shall be permitted without cause to suspend, revoke, or terminate any Pharmacy location from participating in the pharmacy network selected by the Client for its Benefit Plans. Administrator, on its own initiative, or at the direction of a Client or Government Authority may require that any one or more Pharmacies discontinue providing Covered Prescription Services to a particular Client or under the Agreement in its entirety, subject to any prior notice as may be required under applicable laws and regulations. The termination of this Agreement with respect to less than all Pharmacies by Administrator shall not affect the performance of this Agreement by Company or the other non-terminated Pharmacies. Also the termination of this Agreement as to any

particular Pharmacy shall not prevent the subsequent termination of this Agreement as to any other Pharmacy or of this Agreement in its entirety.

5.2.5 Termination If Either Party is Insolvent. Unless agreed to by the other party, this Agreement shall automatically terminate if a party is Insolvent. Insolvent shall mean, with respect to Company or Administrator, that such party: (A) is unable to pay its debts generally as they become due; (B) makes a voluntary assignment for the benefit of creditors; (C) is declared insolvent in any proceeding; (D) commences a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself, any of its property, assets or debts under any bankruptcy, insolvency or other similar laws now or hereafter in effect or petitions or applies to any tribunal for the appointment of a receiver, liquidator, custodian or trustee for such party under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, liquidation, or dissolution law of any jurisdiction now or hereafter in effect; (E) is named as a debtor or party in such petition, application, case or proceeding as described herein and it indicates its approval thereof, consents thereto, acquiesces therein or acts in furtherance thereof, or if such petition, application, case or proceeding is not dismissed or stayed for a period of sixty (60) days after it is commenced, or is the subject of any order appointing any such receiver, liquidator, custodian or trustee or approving the petition in any such case or proceeding; (F) ceases conducting substantially all of its operations or (G) the sum of such party's debts (including contingent obligations) exceeds the fair market value of such party's assets, exclusive of any property transferred, concealed, or removed with the intent to hinder, delay or defraud such party's creditors.

5.2.6 Termination and Appeal Process. Except for non-renewal of the Agreement at the end of a term thereof, Pharmacies that are terminated in accordance with Section 5 of the Agreement will be provided a written notice describing the reason[s] for such termination and an opportunity to request a hearing to appeal such termination.

5.3 Effect of Termination. Termination of the Agreement for any reason pursuant to Section 5.2 shall not affect the rights and obligations of the parties arising out of any transactions occurring prior to the effective date of such termination.

5.3.1 Compensation After Termination. After the effective date of termination of this Agreement in its entirety, Administrator shall make an accounting of all monies due hereunder to Company, Administrator, or any Client. Notwithstanding the foregoing, if Administrator reasonably believes that Company's cooperation is essential to preparation of the accounting and Company's cooperation is not reasonably satisfactory to Administrator, then Administrator shall be excused from this obligation.

5.3.2 Notification of Members. Company acknowledges the right of Administrator's Clients to inform Client's Members of Company's termination, suspension, or revocation and agrees to cooperate with Administrator and/or Administrator's Clients.

## 6 Indemnification.

6.1 Indemnification by Company. Company shall be solely responsible for and agrees to indemnify, defend and hold harmless Administrator, Clients and their respective Affiliates, shareholders, directors, officers, employees and agents from and against any and all claims, causes of action, obligations, liability, judgments, liens, debts, damages (of every kind and nature), losses, costs, fees and expenses (including reasonable attorneys' fees) (collectively, "Losses") to the extent and proportion that such Losses relate to or arise from: (i) Company's or its officers, directors, partners, members, employees or agents breach or default of any term, condition, representation, warranty, promise or covenant in this Agreement, or (ii) Company's act, omission or performance of its obligations under this Agreement including, but not limited to, the sale, compounding, packaging, storage, dispensing, administration, manufacturing or use of Covered Prescription Services dispensed and/or administered to Members pursuant to this

Agreement or failure to timely provide required regulatory reports, data or other information to Administrator. This provision shall survive the expiration or termination of this Agreement.

6.2 Indemnification by Administrator. Administrator shall be solely responsible for and agrees to indemnify, defend and hold harmless Company and its Affiliates, Pharmacies, shareholders, directors, officers, employees and agents from and against any and all Losses to the extent and proportion that such Losses relate to or arise from the breach or default of any term, condition, representation, warranty or covenant in this Agreement. Notwithstanding anything else in this Agreement, in no event shall Administrator be liable to Company, its officers, directors, employees, assigns or Affiliates for any incidental, consequential, punitive or special damages, damages for lost profits, lost data or lost business, cost for procurement of substitute goods, technology or services, or any other indirect damages, even if Administrator has been advised as to the possibility of such damages.

6.3 Notice. Each party shall provide prompt written notice to the other party upon learning of any occurrence or event that may result in an obligation of the other party under this Section 6, provided that the omission by a party to give notice of a claim as provided in this Section 6.3 shall not relieve the other party of its obligations under this Section 6 except to the extent that (i) the omission results in a failure of actual notice to the other party and (ii) the other party suffers damages as a result of the failure to give notice of the claim. The other party shall have the right to maintain control of the defense and all negotiations for settlement of any claims or demands under this Section 6; provided, however, the other party shall not settle any claims or demands without the prior written consent of the party giving notice (which shall not be unreasonably withheld). The party giving notice shall have the right to monitor and participate in any resolution or litigation of any such claim at its own expense, and, if requested, the party giving notice shall provide to the other party all reasonable documents and assistance relating to such claim. Notwithstanding the foregoing, neither party shall be required to take any action under this Section 6.3 (except for the initial giving of notice) that materially prejudices its rights.

## 7 Insurance.

7.1 Professional and General Liability Insurance. Company shall maintain professional and general liability insurance in the minimum amounts of One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) in the aggregate (or such other amounts as Administrator may agree in writing) to insure against any claim for damages arising in connection with Company's provision of services pursuant to this Agreement. All insurance will be on an occurrence basis. Upon request, Company shall provide Administrator with evidence of such insurance coverage. Company will notify Administrator as soon as possible, but in no event later than fifteen (15) days, after any restriction on or denial, cancellation, modification or termination of Company's general or professional liability insurance.

7.2 Self-Insurance. Company may self-insure for professional and general liability insurance upon approval by Administrator, in its sole and absolute discretion. Company shall provide financial statements for the most recently completed fiscal year and any interim financial statements for the current fiscal year, a statement verified by an independent auditor or actuary that the reserves maintained by Company for its self-insurance is sufficient and adequate and any other information requested by Administrator to determine that Company has sufficient assets or reserves to cover any foreseeable risks or losses which may arise from Company's activities (collectively the "Required Information"). All Required Information provided by Company must be prepared in accordance with generally accepted accounting principles, unless otherwise agreed to in writing by Administrator. If Administrator agrees in its sole and absolute discretion to permit Company to self-insure, Administrator shall provide a letter of authorization to Company ("Authorization Letter"). Administrator's authorization shall be subject to a material condition that there shall be no material adverse change to Company and that Company shall abide by any and all terms and conditions in the Authorization Letter. Company shall notify Administrator within ten (10) days of an occurrence of a material adverse change. As used in this paragraph, material adverse change shall include, without limitation: (i) any material adverse change in the business, results of operations, assets, liabilities, or financial



condition of Company, as determined from the perspective of a reasonable person in Administrator's position; (ii) any decrease in current assets or increase in current liabilities of Company equal to or greater than five percent from the information relied upon by Administrator in agreeing to Company's decision to self insure; (iii) any decrease in total assets or increase in total liabilities of Company equal to or greater than ten percent from the information relied upon by Administrator in agreeing to Company's decision to self insure; (iv) Company being Insolvent as defined in Paragraph 5; or (v) the entry of any judgment or an aggregate of judgments against Company in excess of \$100,000. Under no circumstances shall Administrator's authorization last for more than one year from the date of the Authorization Letter. If Company desires to renew its self insurance authorization, not later than sixty (60) days prior to expiration of current authorization, Company shall provide to Administrator the Required Information in this section 7.2. No such renewal shall be effective without a subsequent Authorization Letter.

Administrator shall have the right to terminate this Agreement upon written notice to Company following the occurrence of any material adverse change. In addition to maintaining its self-insurance, Company shall assure that all pharmacists and other health care professionals employed by or under contract with Company to render Covered Prescription Services to Members procure and maintain adequate professional liability and malpractice insurance, unless they are also covered by Company's self-insurance.

## 8 Medical Records and Confidential Information.

8.1 Medical Records. For the purposes of this Section, "PHI" shall have the meaning ascribed to it at 45 CFR §164.501 as such section from time to time may be amended, modified, revised or replaced or interpreted by any Government Authority or court. Company agrees to comply with all laws and regulations issued by any Government Authority pertaining to the confidentiality, privacy, data security, data accuracy and completeness and/or transmission of personal, health, enrollment, financial and consumer information and/or medical records (including prescription records) of actual or prospective Members, including, but not limited, to the confidentiality and security provisions at 42 CFR § 423.136. Company understands and agrees that any PHI or other personal information accessed by or disclosed to it or created by it during the course of performing this Agreement must be maintained in strictest confidence and safeguarded from disclosures which are unauthorized and impermissible under applicable laws and regulations. Company agrees not to disclose (except to Administrator, Client, the applicable Member), use or exploit any PHI, other personal information or Client Data for any purpose or under any circumstance, except (i) as absolutely necessary to perform its obligations under this Agreement and (ii) in compliance with all laws and regulations regarding the confidentiality, privacy, data security and/or transmission of such information including, but not limited to, HIPAA and the GLB. Company further agrees to require all of its personnel and to contractually require all of its contractors to fully abide by the provisions of this Section 8.1

8.2 Proprietary and Confidential Information. Company acknowledges that as a result of this Agreement, Company and its employees and agents may have access to Administrator's Proprietary Information and Client's Proprietary Information. Company shall, and shall ensure that its employees and agents, hold such confidential and proprietary information in confidence and not disclose such information to any person or entity, including an Affiliate, parent, or subsidiary of Company, without the prior written consent of Administrator or Client; provided, however, that the foregoing shall not apply to information which (i) is generally available to the public, (ii) becomes available on a non-confidential basis from a source other than Company or its affiliates or agents, which source was not itself bound by a confidentiality agreement, or (iii) is required to be disclosed by law or pursuant to court order. Company acknowledges and agrees that Administrator and/or Client shall be entitled to injunctive relief to prevent a breach or threatened breach of the provisions of this Section 8.2, in addition to all remedies that may be available. Administrator's and Client's Proprietary Information shall not be (a) used by Company or its personnel or contractors other than for the furtherance of providing Covered Prescription Services or performing this Agreement; (b) sold, assigned, leased, or disclosed to third parties by the Company without Administrator's or Client's written consent; or (c) commercially exploited by or on behalf of Company or its employees, agents, or contractors.

Upon the expiration or other termination of this Agreement, for any reason whatsoever, Company shall immediately return to Administrator or destroy with written certification of the same any and all of Administrator's Proprietary Information and any and all of Client's Proprietary Information in Company's possession, including all copies, duplications, and replicas thereof. This Section 8.2 shall survive expiration or termination of the Agreement.

- 8.3 Use of Names and Marks For the purposes of this Agreement, "Marks" shall mean the name(s), logo(s), and other proprietary symbols and phrases belonging to or licensed by an entity. Company agrees that Administrator can use Company's name in a provider directory and may use the Company Marks currently existing or later established, and the name, address, and telephone number of Company in any promotional or advertising brochures, marketing information, or benefit information packages, and in media announcements, press releases, and other public announcements in connection with the services available to Members or in connection with this Agreement. Company may not list or reference Administrator or Clients or use any Marks of Administrator or Client currently existing or later established in any promotional or advertising brochures, media announcements, or otherwise publicly identify Administrator or Clients or refer to the existence or terms of this Agreement in any public announcement, press release, promotional or other material without the prior written approval of Administrator or Clients as appropriate.

9. Records and Audits

- 9.1 Records and Data. Company shall keep and maintain in accordance with prudent business practices, accurate, complete and timely books, records and accounts of all transactions (including medical records and personal information), data, files (including prescription files), drug purchase invoices, signature logs and documentation (collectively, "Records") relating to the provision of Covered Prescription Services to Members, in accordance with applicable state and federal law, pharmacy board requirements, industry and Client standards, and this Agreement, including the Pharmacy Manual. Company shall retain such Records for a period of up to five (5) years after the date the Covered Prescription Service is dispensed or for the period required by applicable law or as required by an ongoing audit or investigation by Administrator, Client or Government Authority, whichever is longer. Company shall maintain reasonable safeguards against the destruction, loss, alteration, or unauthorized disclosure of data in possession, under the control of Company or its personnel or contractors, including, but not limited to Administrator's and Client's Proprietary Information and PHI.
- 9.2 Access to Records and Audits. During the term of the Agreement and for a period of five (5) years thereafter, Administrator or its designee shall have the right, upon reasonable notice and at reasonable times, to access, inspect, review, audit (including on-site and desktop audits) and make copies of the Records ("Administrator Audit"). In addition to the foregoing, Company shall honor and accommodate all audit requests by Government Authority ("Governmental Audit"). Company shall pay all costs incurred by Company in connection with its provision of information for purposes of a Governmental Audit.
- 9.3 Payment for Audit. Administrator shall pay for prescription reproduction/copying and applicable travel costs associated with an Administrator Audit or Client or an external auditor who is conducting the audit on Administrator's or Client's behalf. Company shall pay all reasonable out-of-pocket costs associated with its providing information necessary for any Governmental Audit and Administrator Audit. In the event that an audit discovers any error by Company or its Pharmacies or discrepancy in the amount to be charged or paid to Administrator, Company shall reimburse Administrator the full amount of any amounts charged to Administrator in error. At Administrator's option, Administrator may obtain reimbursement for such discovered amounts either by recouping against future payments due Company or by requiring reimbursement of such overpayments from Company, which Company will pay to Administrator within fifteen (15) days notice thereof. Administrator shall reimburse Company the full amount of any amounts incurred and paid by Company to Administrator in error, as applicable. In the event that any error or discrepancy in the amount charged to Administrator is material, as determined by Administrator, in its sole and absolute discretion, Company shall pay Administrator all

reasonable costs incurred in connection with the audit, including any out-of-pocket costs and expenses incurred by Administrator to uncover and correct the error or discrepancy. This Section 9 shall survive expiration or termination of the Agreement and if Company or its Pharmacies cease conducting business.

10. Dispute Resolution.

- 10.1 Other than with respect to issues giving rise to immediate termination under Section 5.2.3 hereof or non-renewal under Section 5 hereof, the parties will work in good faith as set forth in Section 10.2 to resolve any and all issues and/or disputes between them (hereinafter referred to as a "Dispute") including, but not limited to all questions of arbitrability, the existence, validity, scope, interpretation, or termination of the Agreement or any term thereof prior to the inception of any litigation or arbitration.
- 10.2 In the event a Dispute arises, the party asserting the Dispute shall provide written notice to the other party identifying the nature and scope of the Dispute to the other party sufficient for a reasonable person to be apprised thereof. If the parties are unable to resolve the Dispute within thirty days after such notice is provided, then either party may request in writing a meeting or telephone conference to resolve the Dispute. At any such meeting or telephone conference, both parties shall have present its President, Vice President, Chief Financial Officer or Chief Operating Officer. Either party may commence a Dispute Resolution in accordance with the rest of this Section 10 (or litigation if both parties waive arbitration) only if a representative of the party seeking to commence such litigation or arbitration certifies in writing that one of the following is true: (i) the Dispute was not resolved after faithfully following the procedures set forth above in this Section 10.2 ; or (ii) the other Party to the dispute did not fully comply with the procedures set forth above in this Section 10.2.
- 10.3 If the party asserting the Dispute has satisfied the requirements of Section 10.2 hereof, it shall thereafter be submitted to binding arbitration before a panel of three arbitrators in accordance with the Commercial Dispute Procedures of the American Arbitration Association, as they may be amended from time to time (see <http://www.adr.org>). All arbitrators must have at least ten (10) years of legal experience in the area of healthcare law.
- 10.4 Any arbitration proceeding under this Agreement shall be conducted in Los Angeles County or Orange County, California. Unless otherwise agreed to in writing by the parties, the party wishing to pursue the Dispute must initiate the arbitration within one year after the date on which notice of the Dispute was given or shall be deemed to have waived its right to pursue the Dispute in any forum.
- 10.5 The arbitrators may construe or interpret, but shall not vary or ignore the terms of this Agreement and shall be bound by controlling law. The arbitrator(s) will decide if any inconsistency exists between the rules of the applicable arbitral forum and the arbitration provisions contained herein. If such inconsistency exists, the arbitration provisions contained herein will control and supersede such rules.
- 10.6 Each party hereby consents to a documentary hearing for all arbitration claims, by submitting the dispute to the arbitrator(s) by written briefs and affidavits, along with relevant documents. However, arbitration claims will be submitted by way of an oral hearing, if any party requests an oral hearing within forty (40) days after service of the claim, and that party remits the appropriate deposit for fees and arbitrator compensation within ten (10) days of making the request.
- 10.7 Discovery permitted in any arbitration proceeding commenced hereunder is limited as follows. No later than forty (40) days after the filing and service of a claim for arbitration, the parties will exchange detailed statements setting forth the facts supporting the claim(s) and all defenses to be raised during the arbitration, and a list of all exhibits and witnesses. In the event any party requests an oral hearing, no later than twenty-one (21) days prior to the oral hearing, the parties will exchange a final list of all exhibits and all witnesses, including any designation of any expert

witness(es) together with a summary of their testimony; a copy of all documents to be introduced at the hearing. Notwithstanding the foregoing, in the event of the designation of any expert witness(es), the following will occur: (a) all information and documents relied upon by the expert witness(es) will be delivered to the opposing party; (b) the opposing party will be permitted to depose the expert witness(es); (c) the opposing party will be permitted to designate rebuttal expert witness(es); and (d) the arbitration hearing will be continued to the earliest possible date that enables the foregoing limited discovery to be accomplished.

- 10.8 The arbitrators will have no authority to award punitive, exemplary, indirect, special damages or any other damages not measured by the prevailing party's actual damages and may not, in any event, make any ruling, finding, or award that does not conform to the terms and conditions of the Agreement.
- 10.9 The parties expressly intend that any dispute relating to the business relationship between them be resolved on an individual basis so that no other dispute with any third party(ies) may be consolidated or joined with the Dispute. The parties agree that any arbitration ruling by an arbitrator allowing class action arbitration or requiring consolidated arbitration involving any third party(ies) would be contrary to their intent and would require immediate judicial review of such ruling.
- 10.10 If the Dispute pertains to a matter which is generally administered by certain Administrator procedures, such as a quality improvement plan, the policies and procedures set forth in that plan must be fully exhausted by Company before Company may invoke any right to arbitration under this Section 10.
- 10.11 The decision of the arbitrator(s) on the points in Dispute will be binding, and judgment on the award may be entered in any court having jurisdiction thereof. The parties acknowledge that because this Agreement affects interstate commerce the Federal Arbitration Act applies.
- 10.12 In the event that any portion of this Article or any part of this Agreement is deemed to be unlawful, invalid, or unenforceable, such unlawfulness, invalidity, or unenforceability shall not serve to invalidate any other part of this Section or this Agreement. IN THE EVENT ANY COURT DETERMINES THAT THIS ARBITRATION PROCEEDING IS NOT BINDING OR OTHERWISE ALLOWS LITIGATION INVOLVING A DISPUTE TO PROCEED, THE PARTIES HEREBY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN, OR WITH RESPECT TO, SUCH LITIGATION. SUCH LITIGATION WOULD INSTEAD PROCEED WITH THE JUDGE AS THE FINDER OF FACT.
- 10.13 This Article 10 shall survive any termination of this Agreement.

## 11. General Terms.

- 11.1 Entire Agreement. This Agreement (including the Pharmacy Manual, Pharmacy Plan Specifications, the Commercial Addendum, the Medicaid Addendum, the Medicare Part D Addendum and all other addenda, exhibits and schedules attached hereto) constitutes the final entire agreement between the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous oral or written agreements, representations or understandings between the parties with respect to the subject matter hereof. The Pharmacy Manual and all such addenda, exhibits and schedules, as the same may be amended from time to time, are incorporated herein by reference and made a part hereof.

- 11.2 Amendment. Except as otherwise provided elsewhere in the Agreement, this Agreement (including the addenda, exhibits and schedules attached hereto) may only be amended as follows.

(a) Administrator may unilaterally amend this Agreement by providing thirty (30) days prior written notice to Company in order to comply with changes in applicable law and/or regulatory



requirements, which shall become effective at the end of the thirty (30) day notice period or a shorter notice period if necessary to comply with changes in applicable law and/or regulation

(b) Administrator may also amend this Agreement by providing thirty (30) days prior written notice to Company. If Company does not object to such amendment in writing within such thirty (30) day notice period, Company shall be deemed to have accepted the proposed amendment effective as of the date of Administrator's written notice. In the event Company objects within the thirty (30) day notice period by providing written notice to Administrator, the parties shall confer and use good faith best efforts to reach agreement. If such agreement cannot be reached, either party may terminate in accordance with Section 5.2.1.

(c) This Agreement also may be amended or modified pursuant to a dated written instrument executed by Administrator and Company.

11.3 Waivers The failure of any party to insist in any one or more instances upon performance of any terms or conditions of this Agreement shall not be construed as a waiver of future performance of any such term, covenant or condition and the obligations of such party with respect thereto shall continue in full force and effect.

11.4 Notices All notices, requests, consents, demands and other communications hereunder (collectively, "Notices") shall be in writing, addressed to the receiving party's address (or, at Administrator's sole option and solely for Notices sent by Administrator, Company's facsimile number or email address) as set forth below or to such other address (or, at Administrator's sole option and solely for Notices sent by Administrator, facsimile number or email address) as a party may designate by providing notice pursuant to this section, and either (i) delivered by hand, (ii) sent by a nationally recognized overnight courier, (iii) sent by registered or certified mail, return receipt requested, postage prepaid, (iv) solely with respect to Notices sent by Administrator, sent by facsimile transmission, or (v) solely with respect to Notices sent by Administrator, sent by email:

If to Administrator:  
OptumRx, Inc.  
17900 Von Karman Ave.  
Mail Stop CA016-0200  
Irvine, California 92614  
Attention: Senior Vice President, Industry and Network Relations

If to Company:

Company: \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State ZIP \_\_\_\_\_

Attention: \_\_\_\_\_

Phone: (    ) \_\_\_\_\_

Fax: (    ) \_\_\_\_\_

Email: \_\_\_\_\_

All Notices shall be deemed to have been given either (i) if by hand, at the time of actual delivery thereof to the receiving party at such party's address, as provided above, (ii) if sent by overnight courier, on the next business day following the day such Notice is delivered to the courier service, (iii) if sent by registered or certified mail, on the fifth (5<sup>th</sup>) business day following the day such mailing is made, or (iv) solely with respect to Notices sent by Administrator, upon

the date reflected on a facsimile confirmation from the transmitting facsimile machine (v) solely with respect to Notices sent by Administrator, on the date sent unless Administrator receives an auto-responder notice that the message was not delivered.

- 11.5 Assignment. This Agreement may not be assigned, delegated or transferred by either party without the prior written consent of the other party, except that this Agreement may be assigned by Administrator to any of Administrator's Affiliates upon thirty (30) days written notice to Company.
- 11.6 Relationship of the Parties. The sole relationship between the parties to this Agreement is that of independent contractors. This Agreement does not create a joint venture, partnership, agency, employment or other relationship between the parties.
- 11.7 Professional Pharmacy Judgment. It is understood and agreed that the operation and maintenance of the Company Pharmacies and their respective facilities, equipment and the provision of all Covered Prescription Services shall be solely and exclusively under the control and supervision of Company. All decisions respecting the provision of Covered Prescription Services are rendered solely by a Company Pharmacy and their respective duly authorized personnel, and not by Administrator or any Client. Company is solely responsible for all Covered Prescription Services provided to Members by the Company Pharmacies. It is expressly understood that the relationship between a Member and a Company Pharmacy shall be subject to the rules, limitations, and privileges incident to the pharmacist-patient relationship.
- 11.8 Utilization of Company Pharmacies. Nothing in this Agreement shall be construed to require Administrator or any Client to assign or refer any minimum or maximum number of Members to a Company Pharmacy.
- 11.9 Force Majeure. In the event that any party is prevented from performing or is unable to perform any of its obligations under this Agreement due to any act of God, fire, casualty, flood, earthquake, war, strike, lockout, epidemic, destruction of production facilities, riot, insurrection, material unavailability, or any other cause beyond the reasonable control of, but not the fault of the party invoking this section, and if such party has been unable to avoid or overcome its effects through the exercise of commercially reasonable efforts, such party shall give prompt written notice to the other party, its performance shall be excused, and the time for the performance shall be extended for the period of delay or inability to perform due to such occurrences.
- 11.10 Binding Effect. Third Party Beneficiaries. The statements, representations, warranties, covenants and agreements in this Agreement shall be binding on the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto; no person or entity shall be regarded as a third party beneficiary of this Agreement.
- 11.11 Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of California, without giving effect to the conflict of law principles thereof.
- 11.12 Severable Provisions; Headings. The provisions of this Agreement are severable. The invalidity or unenforceability of any term or provision in any jurisdiction shall be construed and enforced as if it has been narrowly drawn so as not to be invalid, illegal, or unenforceable to the extent possible and shall in no way affect the validity or enforceability of any other terms or provisions in that jurisdiction, or of this entire Agreement in that jurisdiction. The headings of paragraphs in this Agreement are for convenience and reference only and are not intended to, and shall not define or limit the scope of the provisions to which they relate.
- 11.13 340(B) Certification. Company hereby certifies that as of the Effective Date hereof that Company is not eligible to distribute Drug Products under the Public Health Service Act,

Section 340(B). To the extent that Company, during the term or any renewal term of this Agreement, becomes eligible to distribute Drug Products under the Public Health Service Act, Section 340(B) program, Company shall immediately provide Administrator with written notice of such eligibility. The parties acknowledge and agree that Administrator shall be entitled to modify the rates, fees and other reimbursements offered to Company hereunder, upon Administrator's written notice to Company, to the extent that Company becomes eligible to distribute Drug Products under the Public Health Service Act, Section 340(B) program. Failure of Company to notify Administrator of its 340(B) eligibility as stated above shall constitute a material breach of this Agreement.

- 11.14 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.
- 11.15 Network Participation. Notwithstanding anything to the contrary in this Agreement, no Pharmacy shall be entitled to participate in any network unless and until an applicable Compensation Exhibit has been signed both by Administrator and by Company on Pharmacy's behalf.

THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY

- ☒ Commercial Addendum
- ☒ Medicaid Addendum
- ☒ Medicare Part D Addendum

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their authorized representatives as of the executed dates written below.

\_\_\_\_\_  
[INSERT COMPANY NAME] OptumRx, Inc.

Chain Code or NCPDP/NPI # \_\_\_\_\_

By: \_\_\_\_\_

(signature)

Name: \_\_\_\_\_  
(print name)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

(signature)

Name: Angelo Giambrone

Title: S.V.P., Industry & Network Relations

Execution Date: \_\_\_\_\_

Effective Date: \_\_\_\_\_



## EXHIBIT A

### LIST OF COMPANY PHARMACIES

- Independent Pharmacies: Insert name and location of the Pharmacy location (one location) performing services under this Agreement.
- Chain Pharmacies: Insert name and location of each Company Pharmacy (multiple locations) performing services under this Agreement.

	Pharmacy Name	Pharmacy Location	NCPDP/NPI No.
1.			
2.			
3.			
4.			
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## COMMERCIAL ADDENDUM

The Pharmacy Network Agreement to which this Commercial Addendum ("Commercial Addendum") is attached is hereby supplemented through this Commercial Addendum to, among other things, ensure that Pharmacy will dispense Covered Prescription Services to eligible enrollees of those Clients who offer commercial prescription drug Benefit Plans ("Commercial Plans") in accordance with the terms and conditions of the Pharmacy Network Agreement and this Commercial Addendum.

1. Applicability to Covered Prescription Services. This Commercial Addendum applies solely to the Covered Prescription Services provided by Pharmacy to eligible Members of Administrator's Clients' Commercial Plans.
2. Pharmacy Network Agreement Conflicts. Except as specifically amended below, the terms and conditions of the Pharmacy Network Agreement remain the same. If there is a conflict between the Pharmacy Network Agreement and this Commercial Addendum, the terms and conditions of this Commercial Addendum will control. In the event of a conflict between the Pharmacy Network Agreement and all amendments and addenda thereto and applicable laws and regulations, such laws and regulations shall prevail.
3. Definitions. Except as defined herein, all capitalized terms used in this Commercial Addendum will have the same meanings as set forth in the Pharmacy Network Agreement.
4. Duties and Obligations of Company. Company agrees to and is bound by all Company obligations set forth in this Commercial Addendum. Company represents and warrants that it has the authority to enter into this Commercial Addendum as the agent for, and on behalf of, each pharmacy, pharmacy chain and/or pharmacy location identified on Exhibit A of the Pharmacy Network Agreement. Company further represents and warrants that each pharmacy, pharmacy chain, and/or pharmacy location identified on Exhibit A of the Pharmacy Network Agreement has agreed to be bound by and comply with all of the terms and conditions of this Commercial Addendum.
5. Compensation. In addition to the terms and conditions in Article 4 of the Pharmacy Network Agreement, Company and each Pharmacy shall accept the Prescription Drug Compensation specified on the applicable Compensation Exhibit to this Commercial Addendum less any applicable Cost Sharing Amount as payment in full for the provision of all Covered Prescription Services to Plan Members. One or more Compensation Exhibits may be added hereto at any time or from time to time upon the execution of such Compensation Exhibit(s) by Administrator and Company and the effectiveness thereof.
6. Incorporation of Other Legal Requirements. In addition to any State Exhibit attached hereto ("State Regulatory Requirements"), any provisions now or hereafter required to be included in this Commercial Addendum by applicable laws and regulations or any other Government Authority of competent jurisdiction over the subject matter hereof, any Client, Administrator, Company, the Pharmacies or their respective operations, shall be binding upon and enforceable against the parties hereto and deemed incorporated herein, irrespective of whether or not such provisions are expressly set forth in this Commercial Addendum.

END OF COMMERCIAL ADDENDUM

## STATE EXHIBIT

### COLORADO

The following State Exhibit sets forth certain state regulatory requirements that will apply only in the state of Colorado.

#### 1. Material Change

A. A Material Change to the Agreement shall occur only if Administrator provides to Company a written notice entitled "Notice of Material Change to Contract" containing the proposed change at least ninety (90) days prior to the effective date of such change ("Notice"). Company shall have fifteen (15) days from receipt of the Notice to provide to Administrator in writing any objection to the Material Change. If the parties do not resolve such objection to the Material Change, either party may terminate the Agreement by providing written notice to the other party, which such termination shall be effective no less than sixty (60) days prior to the effective date of the Material Change. If Company does not object to the Material Change, as described in this Section 1, the Material Change shall be effective as specified in the Notice. When a Material Change is a new category of coverage and Company objects, such new coverage shall not be effective as to Company and such objection shall not be a basis for Company to terminate the Agreement.

For purposes of this Section 1, a Material Change shall mean a change to the Agreement that decreases the Company's payment or compensation, changes the administrative procedures in a way that may reasonably be expected to significantly increase the Company's administrative expense, replaces the maximum allowable cost ("MAC") list used with a new and different MAC list by a Company for reimbursement of generic prescription drug claims, or adds a new category of coverage. A Material Change does not include:

i. A decrease in payment or compensation resulting solely from a change in a published fee schedule upon which the payment or compensation is based and the date of applicability is clearly identified in the Agreement;

ii. A decrease in payment or compensation resulting from a change in the fee schedule based on average wholesale price or MAC specified in the Agreement;

iii. A decrease in payment or compensation that was anticipated under the terms of the Agreement, if the amount and date of applicability of the decrease is clearly identified in the Agreement;

iv. An administrative change that may significantly increase the Company's administrative expense, the specific applicability of which is clearly identified in the Agreement;

v. Changes to an existing prior authorization, precertification, notification, or referral program that do not substantially increase the Company's administrative expense;

vi. Changes to an edit program or to specific edits, however, Company shall be provided notice of the changes and the notice shall include information sufficient for the Company to determine the effect of the change

B. If a change to the Agreement is administrative only and is not a Material Change, the change shall be effective upon at least fifteen (15) days notice to the Company. All other notices shall be provided pursuant to the Agreement.

2. Termination by Either Party Without Cause. The parties agree that the Agreement may be terminated, without cause and for a party's convenience: (i) upon ninety (90) days advance written notice to Company if this Agreement is terminated by Administrator; or (ii) upon one hundred eighty (180) days advance written notice to Administrator if this Agreement is terminated by Company.

## STATE EXHIBIT

### NEW YORK

The following State Exhibit sets forth certain state regulatory requirements that will apply only in the state of New York.

#### A. DEFINITIONS FOR PURPOSES OF THIS EXHIBIT

"Managed Care Organization" or "MCO" shall mean the person, natural or corporate, or any groups of such persons, certified under Public Health Law Article 44, who enter into an arrangement, agreement or plan or any combination of arrangements or plans which provide or offer, or which do provide or offer, a comprehensive health services plan.

"Independent Practice Association" or "IPA" shall mean an entity formed for the limited purpose of arranging by contract for the delivery or provision of health services by individuals, entities and facilities licensed or certified to practice medicine and other health professions, and, as appropriate, ancillary medical services and equipment, by which arrangements such health care providers and suppliers will provide their services in accordance with and for such compensation as may be established by a contract between such entity and one or more MCOs. "IPA" may also include, for purposes of this Agreement, a pharmacy or laboratory with the legal authority to contract with other pharmacies or laboratories to arrange for or provide services to enrollees of a New York State MCO.

"Provider" shall mean physicians, dentists, nurses, pharmacists and other health care professionals, pharmacies, hospitals and other entities engaged in the delivery of health care services which are licensed, registered and/or certified as required by applicable federal and state law.

#### B. GENERAL TERMS AND CONDITIONS

1. This Agreement is subject to the approval of the New York State Department of Health and if implemented prior to such approval, the parties agree to incorporate into this Agreement any and all modifications required by the Department of Health for approval or, alternatively, to terminate this Agreement if so directed by the Department of Health, effective sixty (60) days subsequent to notice, subject to Public Health Law §4403(6) (e). This Agreement is the sole agreement between the parties regarding the arrangement established herein.
2. Any material amendment to this Agreement is subject to the prior approval of the Department of Health, and any such amendment shall be submitted for approval at least 30 days, or ninety (90) days if the amendment adds or materially changes a risk sharing arrangement that is subject to Department of Health review, in advance of anticipated execution. To the extent the MCO provides and arranges for the provision of comprehensive health care services to enrollees served by the Medical Assistance Program, the MCO shall notify and/or submit a copy of such material amendment to DOH or New York City, as may be required by the Medicaid managed care contract between the MCO and DOH (or New York City) and/or the Family Health Plus contract between the MCO and DOH.
3. Assignment of an agreement between an MCO and (1) an IPA, (2) institutional network provider, or (3) medical group provider that serves five percent or more of the enrolled population in a county, or the assignment of an agreement between an IPA and (1) an institutional provider or (2) medical group provider that serves five percent or more of the enrolled population in a county, requires the prior approval of the Commissioner of Health.
4. The Provider agrees, or if the Agreement is between the MCO and an IPA or between an IPA and an IPA, the IPA agrees and shall require the IPA's providers to agree, to comply fully and abide by the rules, policies and procedures that the MCO (a) has established or will establish to meet general or specific obligations placed on the MCO by statute, regulation, or DOH or SID guidelines or policies and (b) has provided to the Provider at least thirty (30) days in advance of implementation, including but not limited to:



- quality improvement/management;
  - utilization management, including but not limited to presertification procedures, referral process or protocols, and reporting of clinical encounter data;
  - member grievances; and
  - provider credentialing
5. The Provider or, if the Agreement is between the MCO and an IPA, or between an IPA and an IPA, the IPA agrees, and shall require its providers to agree, to not discriminate against an enrollee based on color, race, creed, age, gender, sexual orientation, disability, place of origin, source of payment or type of illness or condition.
  6. If the Provider is a primary care practitioner, the Provider agrees to provide for twenty-four (24) hour coverage and back up coverage when the Provider is unavailable. The Provider may use a twenty-four (24) hour back-up call service provided appropriate personnel receive and respond to calls in a manner consistent with the scope of their practice.
  7. The MCO or IPA which is a party to this Agreement agrees that nothing within this Agreement is intended to, or shall be deemed to, transfer liability for the MCO's or IPA's own acts or omissions, by indemnification or otherwise, to a provider.
  8. Notwithstanding any other provision of this Agreement, the parties shall comply with the provisions of the Managed Care Reform Act of 1996 (Chapter 705 of the Laws of 1996) Chapter 551 of the Laws of 2006, Chapter 451 of the Laws of 2007 and Chapter 237 of the Laws of 2009 with all amendments thereto.
  9. To the extent the MCO enrolls individuals covered by the Medical Assistance and/or Family Health Plus programs, this Agreement incorporates the pertinent MCO obligations under the Medicaid managed care contract between the MCO and DOH (or New York City) and/or the Family Health Plus contract between the MCO and DOH as if set forth fully herein, including:
    - a. the MCO will monitor the performance of the Provider or IPA under the Agreement, and will terminate the Agreement and/or impose other sanctions, if the Provider's or IPA's performance does not satisfy standards set forth in the Medicaid managed care and/or Family Health Plus contracts;
    - b. the Provider or IPA agrees that the work it performs under the Agreement will conform to the terms of the Medicaid managed care contract between the MCO and DOH (or between the MCO and New York City) and/or the Family Health Plus contract between the MCO and DOH, and that it will take corrective action if the MCO identifies deficiencies or areas of needed improvement in the Provider's or IPA's performance; and
    - c. The Provider or IPA agrees to be bound by the confidentiality requirements set forth in the Medicaid managed care contract between the MCO and DOH (or between the MCO and New York City) and/or the Family Health Plus contract between the MCO and DOH
    - d. The MCO and the Provider or IPA agree that a woman's enrollment in the MCO's Medicaid managed care or Family Health Plus product is sufficient to provide services to her newborn, unless the newborn is excluded from enrollment in Medicaid managed care or the MCO does not offer a Medicaid managed care product in the mother's county of fiscal responsibility.
    - e. The MCO shall not impose obligations and duties on the Provider or IPA that are inconsistent with the Medicaid managed care and/or Family Health Plus contracts, or that impair any rights accorded to DOH, the local Department of Social Services, or the United States Department of Health and Human Services

- f. The Provider or IPA agrees to provide medical records to the MCO for purposes of determining newborn eligibility for Supplemental Security Income where the mother is a member of the MCO and for quality purposes at no cost to the MCO.
- g. The Provider or IPA agrees, pursuant to 31 U.S.C. § 1352 and CFR Part 93, that no Federally appropriated funds have been paid or will be paid to any person by or on behalf of the MCO for the purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the award of any Federal loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement. The Provider or IPA agrees to complete and submit the "Certification Regarding Lobbying," Appendix attached hereto and incorporated herein, if this Agreement exceeds \$100,000.

If any funds other than Federally appropriated funds have been paid or will be paid to any person for the purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of a member of Congress, in connection with the award of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering of any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement, and the Agreement exceeds \$100,000 the Provider or IPA shall complete and submit Standard Form LLL "Disclosure Form to Report Lobbying," in accordance with its instructions.

- h. The Provider agrees to disclose to MCO on an ongoing basis, any managing employee that has been convicted of a misdemeanor or felony related to the person's involvement in any program under Medicare, Medicaid or a Title XX services program (Block grant programs)
  - i. The Provider agrees to monitor its employees and staff against the List of Excluded Individuals and Entities (LEIE) and excluded individuals posted by the OIG on its Website.
10. The parties to this Agreement agree to comply with all applicable requirements of the Federal Americans with Disabilities Act.
  11. The Provider agrees, or if the Agreement is between the MCO and an IPA or between an IPA and an IPA, the IPA agrees and shall require the IPA's providers to agree, to comply with all applicable requirements of the Health Insurance Portability and Accountability Act, the HIV confidentiality requirements of Article 27F of the Public Health Law and Mental Hygiene Law § 33.13.

#### C. PAYMENT / RISK ARRANGEMENTS

1. Enrollee Non-liability Provider agrees that in no event, including, but not limited to, nonpayment by the MCO or IPA, insolvency of the MCO or IPA, or breach of this Agreement, shall Provider bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against a subscriber, an enrollee or person (other than the MCO or IPA) acting on his/her/their behalf, for services provided pursuant to the subscriber contract or Medicaid Managed Care contract or Family Health Plus contract and this Agreement, for the period covered by the paid enrollee premium. In addition, in the case of Medicaid Managed Care, Provider agrees that, during the time an enrollee is enrolled in the MCO, he/she/it will not bill the New York State Department of Health or the City of New York for Covered Services within the Medicaid Managed Care Benefit Package as set forth in the Agreement between the MCO and the New York State Department of Health. In the case of Family Health Plus, Provider agrees that, during the time an enrollee is enrolled in the MCO, he/she/it will not bill the New York State Department of Health for Covered Services within the Family Health Plus Benefit Package, as set forth in the Agreement between the MCO and the New York State Department of Health. This provision shall not prohibit the provider, unless the MCO is a managed long term care plan designated as a Program of All-Inclusive Care for the Elderly (PACE), from collecting copayments, coinsurance amounts, or permitted deductibles, as specifically provided in the evidence of coverage, or fees for uncovered services delivered on a fee-for-service basis to a covered person provided that Provider shall have advised the enrollee in writing that the service is uncovered and of the enrollee's

liability therefore prior to providing the service. Where the Provider has not been given a list of services covered by the MCO, and/or Provider is uncertain as to whether a service is covered, the Provider shall make reasonable efforts to contact the MCO and obtain a coverage determination prior to advising an enrollee as to coverage and liability for payment and prior to providing the service. This provision shall survive termination of this Agreement for any reason, and shall supersede any oral or written agreement now existing or hereafter entered into between Provider and enrollee or person acting on his or her behalf.

2. Coordination of Benefits (COB). To the extent otherwise permitted in this Agreement, the Provider may participate in collection of COB on behalf of the MCO, with COB collectibles accruing to the MCO or to the provider. However, with respect to enrollees eligible for medical assistance, or participating in Child Health Plus or Family Health Plus, the Provider shall maintain and make available to the MCO records reflecting COB proceeds collected by the Provider or paid directly to enrollees by third party payers, and amounts thereof, and the MCO shall maintain or have immediate access to records concerning collection of COB proceeds.
3. If the Provider is a health care professional licensed, registered or certified under Title 8 of the Education Law, the MCO or the IPA must provide notice to the Provider at least ninety (90) days prior to the effective date of any adverse reimbursement arrangement as required by Public Health Law § 4406-c(5-c) Adverse reimbursement change shall mean a proposed change that could reasonably be expected to have a negative impact on the aggregate level of payment to provider. This provision does not apply if the reimbursement change is required by law, regulation or applicable regulatory authority; is required as a result of changes in fee schedules, reimbursement methodology or payment policies established by the American Medical Association current procedural terminology (CPT) codes, reporting guidelines and conventions; or such change is expressly provided for under the terms of this Agreement by the inclusion or reference to a specific fee or fee schedule, reimbursement methodology or payment policy indexing scheme.
4. The parties agree to comply with and incorporate the requirements of Physician Incentive Plan (PIP) Regulations contained in 42 CFR §438.6(h), 42 CFR § 422.208, and 42 CFR § 422.210 into any contracts between the contracting entity (provider, IPA, hospital, etc.) and other persons/entities for the provision of services under this Agreement. No specific payment will be made directly or indirectly under the plan to a physician or physician group as an inducement to reduce or limit medically necessary services furnished to an enrollee.
5. The parties agree that a claim for home health care services following an inpatient hospital stay cannot be denied on the basis of medical necessity or a lack of prior authorization while a utilization review determination is pending if all necessary information was provided before a member's inpatient hospital discharge, consistent with Public Health Law § 4903.

#### D. RECORDS ACCESS

- 1 Pursuant to appropriate consent/authorization by the enrollee, the Provider will make the enrollee's medical records and other personally identifiable information (including encounter data for government-sponsored programs) available to the MCO (and IPA if applicable), for purposes including preauthorization, concurrent review, quality assurance, and Provider claims processing, payment, member qualification for other government programs including, but not limited to, newborn eligibility for Supplemental Security Income, and for MCO/Manager analysis and recovery of overpayments due to fraud and abuse. The Provider will also make enrollee medical records available to the State for management audits, financial audits, program monitoring and evaluation, licensure or certification of facilities or individuals, and as otherwise required by state law. The Provider shall provide copies of such records to DOH at no cost. The Provider (or IPA if applicable) expressly acknowledges that he/she/it shall also provide to the MCO and the State (at no expense to the State), on request, all financial data and reports, and information concerning the appropriateness and quality of services provided, as required by law. These provisions shall survive termination of the contract for any reason.
- 2 When such records pertain to Medicaid or Family Health Plus reimbursable services the Provider agrees to disclose the nature and extent of services provided and to furnish records to DOH and/or the United

States Department of Health and Human Services, the County Department of Social Services, the Comptroller of the State of New York, the Office of the Medicaid Inspector General, the New York State Attorney General, and the Comptroller General of the United States and their authorized representatives upon request. This provision shall survive the termination of this Agreement regardless of the reason.

3. The parties agree that medical records shall be retained for a period of six (6) years after the date of service, and in the case of a minor, for three (3) years after majority or six (6) years after the date of service, whichever is later, or for such longer period as specified elsewhere within this Agreement. This provision shall survive the termination of this Agreement regardless of the reason.
4. The MCO and the Provider agree that the MCO will obtain consent directly from enrollees at the time of enrollment or at the earliest opportunity, or that the Provider will obtain consent from enrollees at the time service is rendered or at the earliest opportunity, for disclosure of medical records to the MCO, to an IPA or to third parties. If the Agreement is between an MCO and an IPA, or between an IPA and an IPA, the IPA agrees to require the providers with which it contracts to agree as provided above. If the Agreement is between an IPA and a provider, the Provider agrees to obtain consent from the enrollee if the enrollee has not previously signed consent for disclosure of medical records.

#### E. TERMINATION AND TRANSITION

1. Termination or non-renewal of an agreement between an MCO and an IPA, institutional network provider, or medical group Provider that serves five percent or more of the enrolled population in a county, or the termination or non-renewal of an agreement between an IPA and an institutional Provider or medical group Provider that serves five percent or more of the enrolled population in a county, requires notice to the Commissioner of Health. Unless otherwise provided by statute or regulation, the effective date of termination shall not be less than 45 days after receipt of notice by either party, provided, however, that termination, by the MCO may be effected on less than 45 days notice provided the MCO demonstrates to DOH's satisfaction prior to termination that circumstances exist which threaten imminent harm to enrollees or which result in Provider being legally unable to deliver the covered services and, therefore, justify or require immediate termination.
2. If this Agreement is between the MCO and a health care professional, the MCO shall provide to such health care professional a written explanation of the reasons for the proposed contract termination, other than non-renewal, and an opportunity for a review as required by state law. The MCO shall provide the health care professional 60 days notice of its decision to not renew this Agreement.
3. If this Agreement is between an MCO and an IPA, and the Agreement does not provide for automatic assignment of the IPA's Provider contracts to the MCO upon termination of the MCO/IPA contract, in the event either party gives notice of termination of the Agreement, the parties agree, and the IPA's providers agree, that the IPA providers shall continue to provide care to the MCO's enrollees pursuant to the terms of this Agreement for 180 days following the effective date of termination, or until such time as the MCO makes other arrangements, whichever first occurs. This provision shall survive termination of this Agreement regardless of the reason for the termination.
4. Continuation of Treatment. The Provider agrees that in the event of MCO or IPA insolvency or termination of this contract for any reason, the Provider shall continue, until medically appropriate discharge or transfer, or completion of a course of treatment, whichever occurs first, to provide services pursuant to the subscriber contract, Medicaid Managed Care contract or Family Health Plus contract, to an enrollee confined in an inpatient facility, provided the confinement or course of treatment was commenced during the paid premium period. For purposes of this clause, the term "provider" shall include the IPA and the IPA's contracted providers if this Agreement is between the MCO and an IPA. This provision shall survive termination of this Agreement.
5. Notwithstanding any other provision herein to the extent that the Provider is providing health care services to enrollees under the Medicaid Program and/or Family Health Plus, the MCO or IPA retains the option to immediately terminate the Agreement when the Provider has been terminated or suspended from the Medicaid Program.

6. In the event of termination of this Agreement, the Provider agrees, and, where applicable, the IPA agrees to require all participating providers of its network to assist in the orderly transfer of enrollees to another provider.

F. ARBITRATION

1. To the extent that arbitration or alternative dispute resolution is authorized elsewhere in this Agreement, the parties to this Agreement acknowledge that the Commissioner of Health is not bound by arbitration or mediation decisions. Arbitration or mediation shall occur within New York State, and the Commissioner of Health will be given notice of all issues going to arbitration or mediation, and copies of all decisions.

G. IPA-SPECIFIC PROVISIONS

1. Any reference to IPA quality assurance (QA) activities within this Agreement is limited to the IPA's analysis of utilization patterns and quality of care on its own behalf and as a service to its contract providers.



STATE EXHIBIT  
NORTH CAROLINA

The following State Exhibit sets forth certain state regulatory requirements that will apply only in the state of North Carolina.

1. Claims Submission and Prompt Payment. In order to receive payment, each Pharmacy must submit a Clean Claim to Claims Processor for each Covered Prescription Service dispensed via the POS system. Company is responsible for the payment of any and all transaction charges or fees associated with the transmission of claims or claim information to Administrator. A Clean Claim must be submitted to Claims Processor within one hundred eighty (180) days after the date of service. If any Claim is rejected or if additional information is required for further processing by Administrator or its Claims Processor, Company must resubmit the Claim within sixty (60) days of Company's receipt of such rejected Claim provided that the resubmitted Claim may only be processed and paid if it is a Clean Claim and subject to receipt of payment from the applicable Client. Unless otherwise agreed to by the Administrator or Client, Claims submitted after the time periods set forth in this Section will not be eligible for payment. Administrator will promptly pay Clean Claims in accordance with the Agreement and North Carolina General Statute 58-3-225.
2. Pharmacy Administrative Duties and Records. Pharmacy shall assure that administrative duties will be transitioned and that records will also be transitioned and readily available upon termination of the Agreement or insolvency, pursuant to Title 11 of the North Carolina Administrative Code Section 20.0202(5).
3. Credentialing Verification and Sanction Program Compliance. Pharmacy shall comply with Administrator's and Client's credential verification and sanctions program, as applicable and pursuant to Title 11 of the North Carolina Administrative Code Section 20.0202(16). In addition, Pharmacy shall maintain licensure, accreditation and credentials sufficient to meet Administrator's credential verification program requirements and to notify Administrator of subsequent changes in status of any information relating to Pharmacy's professional credentials, as applicable and pursuant to Title 11 of the North Carolina Administrative Code Section 20.0202(6).
4. Pharmacy Professional and Ethical Responsibility. Notwithstanding the requirements of Pharmacy to comply with Administrator's and Client's applicable credential verification, sanctions, utilization management and quality management programs, such compliance shall not override the professional or ethical responsibility of Pharmacy or interfere with the Pharmacy's ability to provide information or assistance to customers.
5. Assignment. Pharmacy's duties and obligations under the Agreement shall not be assigned, delegated or transferred without the prior written consent of Administrator. Administrator will notify the Pharmacy, in writing, of any duties or obligations that are to be delegated or transferred before the delegation or transfer.
6. Member Eligibility Verification. Administrator shall provide via the POS System the ability to verify Member eligibility, based on Administrator's current information prior to rendering Covered Prescription Services.
7. Data and Information to Pharmacy. Administrator will make available to Pharmacy information on benefit exclusions; administrative and utilization management requirements; and credential verification, quality assessment and provider sanction programs, as applicable. Notification of changes in such requirements will be provided by Administrator in a manner to allow Pharmacy to timely comply with such changes.
8. Member Records. Pharmacy shall maintain the confidentiality of Member's medical records, personal information and other health records as required by law, pursuant to Title 11 of the North Carolina Administrative Code Section 20.0202(11)(a).
9. Member Billing. To the extent applicable, when Covered Prescription Services are delivered on a prepaid basis under G.S. 58, Article 67, Pharmacy shall not bill any Member for Covered Prescription Services, except for specified Cost Sharing Amounts. However, Pharmacy and Member may agree to continue non-

Covered Prescription Services at the Member's own expense, as long as the Pharmacy has notified the Member in advance that the Administrator may not cover or continue to cover specific services and the Member chooses to receive the service. Pharmacy will not collect Cost Sharing Amounts for non-Covered Prescription Services

10 Promot Claim Payments

A. As applicable, Administrator shall pay claims and provide Pharmacy notices in accordance with Title 11 NCGS Section 58-3-225, including Administrator shall within 30 calendar days after receipt of a claim, send by electronic or paper mail to the claimant: (1) Payment of the claim; (2) Notice of denial of the claim; (3) Notice that the proof of loss is inadequate or incomplete; (4) Notice that the claim is not submitted on the form required by the Benefit Plan, by the Agreement or by applicable law; (5) Notice that coordination of benefits information is needed in order to pay the claim; and (6) Notice that the claim is pending based on nonpayment of fees or premiums.

B. If Administrator requests additional information from Pharmacy, including the information in subsection 10(A) above, and Administrator does not receive such information within ninety (90) days of such request, Administrator shall deny the claim and send the notice of denial to the claimant in accordance with subsection (c) of Title 11 NCGS Section 58-3-225. However, and as noted in the notice to claimant, Administrator will reopen claim if the requested information is submitted to Administrator within one (1) year after the date of the denial notice closing the claim.

C. Benefit Plan claim payments that are not made in accordance with Title 11 NCGS Section 58-3-225(c) shall bear interest at the annual percentage rate of eighteen percent (18%) beginning on the date following the day on which the claim should have been paid. However, such interest does not apply to claims for non-Covered Prescription Services nor to Cost Sharing Amounts.

D. Pharmacy shall submit claims within 180 days after the date of the provision of Covered Prescription Services to Member, except as allowed by Title 11 NCGS Section 58-3-225(f).

E. If a claim for which the claimant is a Pharmacy has not been paid or denied within sixty (60) days after receipt of the initial claim, Administrator shall send a claim status report to Member. However, the claims status report is not required during the time Administrator is awaiting information requested under subsection (B) of this Section 10. The report shall indicate that the claim is under review and Administrator is communicating with Pharmacy to resolve the matter. While a claim remains unresolved, Administrator shall send a claim status report to the Member with a copy to Pharmacy thirty (30) days after the previous report was sent.

F. Administrator may recover overpayments made to Pharmacy by making demands for refunds and by offsetting future payments in accordance with Title 11 NCGS Section 58-3-225(h), including providing at least a thirty (30) calendar days prior written notice to the Pharmacy before offsetting future payments or recovering overpayments.

G. Administrator shall maintain written or electronic records of its activities under and in accordance with Title 11 NCGS Section 58-3-225, including, records of when each claim was received, paid, denied, or pending, and Administrator's review and handling of each claim.

11. Amendments. Any proposed amendments to the Agreement shall be in accordance with NCGS 58-50-271 to the Pharmacy Notice contact noted in the Agreement and shall be dated, labeled "Amendment", signed by Administrator and include an effective date for the proposed amendment.

12. Policies and Procedures. Administrator shall provide a copy of its applicable policies and procedures, including the Pharmacy Benefit Manual to Pharmacy prior to execution of a new or amended agreement and annually to all participating pharmacies.

13. North Carolina Governing Law. The governing law for purposes of this Agreement with Pharmacy shall be the laws of North Carolina.

## MEDICAID ADDENDUM

The Pharmacy Network Agreement to which this Medicaid Addendum ("Medicaid Addendum") is attached is hereby supplemented through this Medicaid Addendum to, among other things, ensure that Pharmacy will dispense Covered Prescription Services to eligible enrollees of those Clients who offer Medicaid prescription drug Benefit Plans ("Medicaid Plans") in accordance with the terms and conditions of the Pharmacy Network Agreement and this Medicaid Addendum.

1. Applicability to Covered Medicaid Prescription Services. This Medicaid Addendum applies solely to the Covered Medicaid Prescription Services provided by Company to eligible Members of Administrator's Clients' Medicaid Plans.
2. Pharmacy Network Agreement Conflicts. Except as specifically amended below, the terms and conditions of the Pharmacy Network Agreement remain the same. If there is a conflict between the Pharmacy Network Agreement and this Medicaid Addendum, the terms and conditions of this Medicaid Addendum will control. In the event of a conflict between the Pharmacy Network Agreement and all amendments and addenda thereto and applicable Medicaid laws and regulations, such Medicaid laws and regulations shall prevail.
3. Definitions. Except as defined herein, all capitalized terms used in this Medicaid Addendum will have the same meanings as set forth in the Pharmacy Network Agreement.
4. Duties and Obligations of Company. Company agrees to and is bound by all Company obligations set forth in this Medicaid Addendum. Company represents and warrants that it has the authority to enter into this Medicaid Addendum as the agent for, and on behalf of, each pharmacy, pharmacy chain and/or pharmacy location identified on Exhibit A of the Pharmacy Network Agreement. Company further represents and warrants that each pharmacy, pharmacy chain and/or pharmacy location identified on Exhibit A of the Pharmacy Network Agreement has agreed to be bound by and comply with all of the terms and conditions of this Medicaid Addendum.
5. Incorporation of Certain Terms into Pharmacy Network Agreement Definitions. For the purpose of determining the rights and responsibilities of each party with regards to the administration of a Medicaid pharmacy network, Article 1 – Defined Terms of the Pharmacy Network Agreement is hereby amended to include:
  - (a) "Covered Medicaid Prescription Service" within the definition of "Covered Prescription Services"; and
  - (b) "Medicaid Prescription Drug Compensation" within the definition of "Prescription Drug Compensation".
6. Compensation. In addition to the terms and conditions in Article 4 of the Pharmacy Network Agreement, Company and each Company Pharmacy shall accept the Medicaid Prescription Drug Compensation specified on the applicable Compensation Exhibit to this Medicaid Addendum and as applicable to the particular Client Benefit Plan less any applicable Cost Sharing Amount as payment in full for the provision of all Covered Medicaid Prescription Services to Members. One or more Compensation Exhibits may be added hereto at any time or from time to time upon the execution of such Compensation Exhibit(s) by Administrator and Company and the effectiveness thereof.
7. Incorporation of Other Legal Requirements. Particular states have certain Medicaid regulatory requirements, including specific provisions to be included in all Client subcontractor agreements ("State Medicaid Regulatory Requirements"). Such State Medicaid Regulatory Requirements are contained in a state specific appendix set forth in the Pharmacy Manual ("State Appendix"). Company shall comply with all applicable requirements in each applicable State Appendix, as determined solely by Administrator. Any provisions now or hereafter required to be included in this Medicaid Addendum by applicable Medicaid laws and regulations or any other Government Authority of competent jurisdiction over the subject matter hereof, any Client, Administrator, Company, the Company Pharmacies or their respective operations, shall be binding upon and enforceable against the parties hereto and deemed incorporated herein, irrespective of whether or not such provisions are expressly set forth in this Medicaid Addendum or in the State Appendix. Administrator may unilaterally amend this Medicaid Addendum or the State Appendix, by providing thirty (30) days prior written notice to Company in order to comply with changes in applicable law and/or regulatory requirements, which shall become effective at the end of the thirty (30) day notice period or a shorter notice period if necessary to comply with changes in applicable law and/or regulation.

END OF MEDICAID ADDENDUM

## STATE EXHIBIT AND COMPENSATION EXHIBIT TO THE MEDICAID ADDENDUM

### KANSAS

The following State of Kansas Exhibit and Compensation Exhibit to the Medicaid Addendum ("SKSM Exhibit") sets forth certain state regulatory requirements and compensation terms that apply only to Covered Prescription Services dispensed to State of Kansas Medicaid Members effective January 1, 2013.

1. Network Applicability. This SKSM Exhibit is strictly limited and only applicable to the Compensation Exhibit to the Medicaid Addendum used by the UnitedHealthcare Community Plan of Kansas ("UCPKS") for Medicaid Covered Prescription Services dispensed to UCPKS Members. Therefore, this SKSM Exhibit does not, in any manner, support any Client commercial Benefit Plans or Medicare Part D Benefit Plans. Only those Pharmacies that have a valid Kansas Medicaid ID may provide UCPKS Medicaid Covered Prescription Services.
2. Prescription Drug Compensation. All UCPKS Medicaid Covered Prescription Services shall have the Prescription Drug Compensation described in the current Compensation Exhibit to the Medicaid Addendum (as may be amended from time to time) between Administrator and Company, with the exception of the applicable dispensing fee, described in Section 3 of this SKSM Exhibit.
3. Dispensing Fee. Notwithstanding the dispensing fee currently within the Compensation Exhibit to the Medicaid Addendum, the UCPKS Benefit Plan dispensing fee for Brand Name Drugs and Generic Drugs that are Covered Prescription Services shall be \$3.40.

## MEDICARE PART D ADDENDUM

The Pharmacy Network Agreement to which this Medicare Part D Addendum ("Part D Addendum") is attached is hereby supplemented through this Part D Addendum to, among other things, ensure that Pharmacy will dispense Covered Prescription Services to eligible enrollees of those Clients who have been approved by CMS to offer prescription drug benefits under Medicare Part D either as a PDP Plan or MA-PD Plan (collectively the "Part D Plans") in accordance with the terms and conditions of the Pharmacy Network Agreement and this Part D Addendum.

### 1 Effect of Part D Addendum.

- 1.1 Applicability to Covered Part D Prescription Drugs. This Part D Addendum applies solely to the services provided by Company to Medicare Drug Plan Members of Administrator's Part D Clients.
- 1.2 Pharmacy Network Agreement Conflicts. Except as specifically amended below, the terms and conditions of the Pharmacy Network Agreement remain the same. If there is a conflict between the Pharmacy Network Agreement and the Part D Addendum, the terms and conditions of this Part D Addendum will control. In the event of a conflict between the Pharmacy Network Agreement and all amendments and addenda thereto and Medicare Laws and Regulations, such Medicare Laws and Regulations shall prevail.
- 1.3 Incorporation of Certain Terms into Pharmacy Network Agreement Definitions. For the purpose of determining the rights and responsibilities of each party with regards to the administration of a Part D pharmacy network, Article 1 – Defined Terms of the Pharmacy Network Agreement is hereby amended to include:
  - (a) "Covered Part D Prescription Drug" within the definition of "Covered Prescription Services";
  - (b) "Part D Benefit Plan" within the definition of "Benefit Plan";
  - (c) "Part D Client" within the definition of "Client";
  - (d) "Part D Formulary" within the definition of "Formulary";
  - (e) "Part D Prescription Drug Compensation" within the definition of "Prescription Drug Compensation";
  - (f) "Medicare Drug Plan Member" within the definition of "Member", and
  - (g) "Home Infusion Pharmacy", "I/T/U Pharmacy", "LTC Pharmacy", "Safety Net Pharmacy" and "State-Owned Pharmacy" within the definition of "Pharmacy".

### 2 Definitions. All capitalized terms used in this Part D Addendum will have the same meanings as set forth in the Pharmacy Network Agreement. For the purposes of this Part D Addendum, the following additional terms shall have the meanings set forth below:

- 2.1 "340B Participating Provider" shall mean a "covered entity" as defined in Section 340B(a)(4) of the Public Health Service Act [42 U.S.C. § 256b(a)(4)] that has enrolled in the 340B Drug Pricing Program.
- 2.2 "Covered Part D Prescription Drug" shall have the same meaning as the term "Covered Part D Drug" under 42 CFR § 423.100, as amended from time to time.
- 2.3 "Federally Qualified Health Center" or "FQHC" shall have the same meaning as the term "federally qualified health center" under §1905(l)(2)(B) of the Social Security Act as well as any implementing regulations;
- 2.4 "Dispensary" shall mean a clinic where Prescriptions are dispensed by a prescribing physician or other practitioner
- 2.5 "Home Infusion Pharmacy" shall mean a Pharmacy-based, decentralized patient care organization with expertise in USP 797-compliant sterile compounding that provides care to



patients with acute or chronic conditions generally pertaining to parenteral administration of drugs, biologics and nutritional formulae administered through catheters and/or needles in home and alternate sites

- 2.6 "Indian Tribe, Tribal Organization or Urban Indian Organization Pharmacy" ("I/T/U Pharmacy") shall have the same meaning as the term "I/T/U Pharmacy" under 42 CFR § 423.100, as amended from time to time.
- 2.7 "LTC Pharmacy" shall have the same meaning as the term "long term care network pharmacy" under 42 CFR § 423.100, as amended from time to time.
- 2.8 "Medicare Drug Plan Member" shall mean a Medicare Eligible who is enrolled in a MA-PD or a PDP Plan offered by a Client.
- 2.9 "Medicare Eligible" shall mean a Medicare beneficiary that satisfies the definition of a "Part D Eligible Individual" as this term is defined under 42 CFR § 423.4, as amended from time to time, and who is a Member under a Client's Part D Plan.
- 2.10 "Medicare Laws and Regulations" shall mean and include: (i) the MMA, the Social Security Act, Part C of Title XVIII of the Social Security Act, and Part D of Title XVIII of the Social Security Act as amended from time to time; (ii) any regulations adopted, promulgated, applied, followed, or imposed by any Government Authority or court with respect to Medicare or any successor government program; and (iii) any and all guidelines, bulletins, manuals, instructions, requirements, policies, standards or directives adopted and issued from time to time by CMS.
- 2.11 "Medicare Part D" shall mean the Medicare Prescription Drug Benefit program authorized by Part D of Title XVIII of the Social Security Act, as amended by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), Pub. L. 108-173, and implementing regulations in Parts 403, 411, 417, 422 and 423 of Title 42, Code of Federal Regulations, as amended from time to time.
- 2.12 "National Health Service Corps Provider" shall have the same meaning as the term "national health service corps provider" under in §331(a) of the Public Health Service Act [42 U.S.C. §254d(a)];
- 2.13 "Part D Cost-Sharing" or "Part D Cost-Sharing Amounts" shall mean those coinsurance, co-pays, deductibles or other amounts which may be collected by Company from a Medicare Drug Plan Member for Covered Part D Prescription Drugs in accordance with the terms and conditions of the Medicare Drug Plan Member's Part D Benefit Plan.
- 2.14 "Part D Drug" shall have the same meaning as the term "Part D Drug" under 42 CFR § 423.4, as amended from time to time.
- 2.15 "Part D Formulary" shall have the same meaning as the term "Formulary" under 42 CFR §423.4, as amended from time to time.
- 2.16 "Part D Plan" shall have the same meaning as the term "Part D Plan" in 42 CFR § 423.4, as amended from time to time
- 2.17 "Part D Client" shall mean a Plan Sponsor that has contracted with CMS to provide a Part D Plan and who meets the definition of "Plan Sponsor" under 42 CFR § 423.4, as amended from time to time.
- 2.18 "Rural Health Clinic" or "RHC" shall have the same meaning as "rural health clinic" under §1861(a)(2) of the Social Security Act;
- 2.19 "Safety Net Pharmacy" shall mean a Pharmacy or Dispensary that is owned or operated by one of the following entities: FQHC, 340 B Participating Provider, free-standing site that utilizes

National Health Service Corps Providers, Rural Health Clinic (RHC), or other Safety-Net Provider

2.20 "Safety-Net Provider" shall mean a provider that by mandate or mission organizes and delivers a significant level of healthcare and other health-related services to the uninsured, Medicaid, and other vulnerable populations.

2.21 "Specialty Pharmacy" shall mean a Pharmacy that distributes Specialty Drugs.

3. Duties and Obligations of Administrator. In addition to the obligations and duties identified in Article 2 of the Pharmacy Network Agreement, the following obligations also apply to Covered Part D Prescription Drugs provided to Medicare Drug Plan Members.

3.1 Notification of Changes to Part D Formulary. Administrator shall notify Company in writing upon notice of changes to a Part D Client's Part D Formulary upon receipt of such notification. Such notice will be provided in accordance with the Part D Client's obligations under 42 CFR § 423.120.

3.2 Maintain Pharmacy Listing. Administrator shall maintain a listing of the Company Pharmacies and other pharmacies participating in the Part D Plans of its Clients in a manner consistent with Administrator's and the Clients' respective obligations under the Medicare Laws and Regulations and as required pursuant to Administrator's obligations to each Client. Administrator shall notify Company as soon as reasonably practicable of a Client's decision to remove a Company Pharmacy for inclusion in Client's pharmacy network or decision to suspend, revoke or terminate a Company Pharmacy's participation in its pharmacy network.

4. Duties and Obligations of Company. Company agrees to and is bound by all Company obligations set forth in this Part D Addendum, including, but not limited to, the obligations set forth in this Section 4 and in each exhibit or other attachment to this Part D Addendum. Company represents and warrants that it has the authority to enter into this Part D Addendum as the agent for, and on behalf of, each Pharmacy identified on Exhibit A of the Pharmacy Network Agreement. Company further represents and warrants that each Pharmacy identified on Exhibit A of the Pharmacy Network Agreement has agreed to be bound by and comply with all of the terms and conditions of this Part D Addendum (including, but not limited to, each exhibit or other attachment to this Part D Addendum). In addition to the obligations and duties identified in Article 3 of the Pharmacy Network Agreement, the following obligations also apply to Covered Part D Prescription Drugs provided to Medicare Drug Plan Members.

4.1 Prices for Equivalent Drugs. In accordance with the Part D Client's responsibilities under 42 CFR § 423.132, Company shall ensure that after the Covered Part D Prescription Drug is dispensed at each Pharmacy, Company or Pharmacy will inform all Medicare Drug Plan Members of any differential between the price of a Covered Part D Prescription Drug and the price of the lowest-priced generic Covered Part D Prescription Drug that is therapeutically equivalent or bioequivalent and available at that particular Pharmacy. If Company operates a LTC Pharmacy, then the LTC Pharmacy shall either provide this information at the point of sale or to Administrator for inclusion in the Part D Client's explanation of benefits. The requirements in this Section 4.1 shall not apply to any I/T/U Pharmacy, a Pharmacy located in any of the U.S. territories, and any other situation where CMS has deemed compliance to this requirement impossible or impractical.

4.2 Medication Therapy Management Program. Company shall, and shall ensure that the Company Pharmacies shall, cooperate with Administrator to implement a medication therapy management program which is (i) designed to ensure that Covered Part D Prescription Drugs dispensed to certain "targeted beneficiaries" (as defined at 42 CFR § 423.153(d)(2)) are appropriately used to optimize therapeutic outcomes through improved medication use and (ii) designed to reduce the risk of adverse events, including adverse drug interactions, for such targeted beneficiaries.

4.3 Electronic Prescription Program. Company shall, and shall ensure that the Company Pharmacies, cooperate in supporting the Administrator's and the Clients' compliance with

electronic prescription standards relating to the provision of Covered Part D Prescription Drugs to Medicare Drug Plan Members once final electronic prescription standards have been developed and finalized by CMS. Company agrees and shall ensure that the Company Pharmacies comply with any electronic prescription standards which may be adopted by HHS or CMS which are applicable to pharmacies.

- 4.4 Notices Regarding Coverage Determinations and Exceptions. In accordance with the Part D Client's obligations under 42 CFR § 423.562, Company shall ensure that each Pharmacy either distributes to Medicare Drug Plan Members, posts prominently notices advising Medicare Drug Plan Members to contact the applicable Part D Client (or its designee) to obtain a coverage determination or to request an exception if such Member disagrees with information provided by a pharmacist at a Pharmacy relating to the availability of Covered Part D Prescription Drugs.
- 4.5 Requirements Applicable to Specific Pharmacies. In addition to the terms and conditions provided for under this Part D Addendum, certain additional terms and conditions shall apply to the following types of Pharmacies: I/T/U Pharmacies, Safety Net Pharmacies, Specialty Pharmacies, Home Infusion Pharmacies, and LTC Pharmacies. If Company's pharmacy network contains one or more of these types of Pharmacies, Company shall review and comply with the respective Exhibit to this Part D Addendum for such Pharmacy's obligations under the Pharmacy Network Agreement and this Part D Addendum.
- 4.6 Steering. Unless otherwise permitted under Medicare Part D, Company shall not, and shall ensure that its Pharmacies shall not direct, urge, or attempt to persuade individuals to enroll in specific Part D Plans.
- 4.7 Transition of New Enrollees. Company and each Pharmacy shall comply with each Part D Client's transition policies, as each may be amended from time to time. Unless otherwise specified in the Pharmacy Network Agreement or the Medicare Laws and Regulations, a Part D Client's transition policies shall not apply to drugs which are not Part D Drugs.
- 4.8 Member Hold Harmless.
- (a) No Billing of Medicare Drug Plan Members. Company agrees that, with the exception of (i) Part D Cost-Sharing Amounts which are permitted by the Clients' respective Part D Benefit Plan, (ii) returned check costs, and (iii) collection costs, neither Company nor any Company Pharmacy shall in any event, including, without limitation, non-payment by Administrator or a Client, insolvency of Administrator or a Client, or breach of the Part D Addendum, bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, hold responsible, or otherwise have any recourse against any Medicare Drug Plan Member, or any other Person (other than the applicable Client) acting on behalf of any Medicare Drug Plan Member, or attempt to do any of the foregoing for any Covered Part D Prescription Drugs or Covered Part D Prescription Drugs provided to any Medicare Drug Plan Member pursuant to the Part D Addendum. In addition, Company shall not balance bill the Member for the cost of any non-Part D ingredient of a Part D Compound. Company agrees that neither Company nor any Company Pharmacy shall maintain any action at law or equity against a Medicare Drug Plan Member to collect sums owed to Company or a Company Pharmacy pursuant to the Agreement, as modified by this Part D Addendum. Upon notice of any such action, any Client may suspend, revoke or terminate Company or any Company Pharmacy from participation in Client's pharmacy network immediately upon the giving of written notice to Company. In addition, upon notice of any such action, Administrator may terminate the Agreement (as modified by this Part D Addendum) immediately upon the giving of written notice to Company and take all other appropriate action consistent with the terms of the Agreement (as modified by this Part D Addendum) to eliminate such charges, including, without limitation, requiring Company or a Company Pharmacy to return all sums collected from Medicare Drug Plan Members or their representatives.

- (b) Survival; Supersedes Contrary Agreements. The obligations of Company and the Company Pharmacies under this Section 4.8 shall survive the termination of the Part D Addendum with respect to Covered Part D Prescription Drugs provided during or after the term of the Part D Addendum, regardless of the cause giving rise to such termination, and this Section 4.8 shall be construed to be for the benefit of Medicare Drug Plan Members. This Section 4.8 supersedes any oral or written contrary agreement now existing or hereafter entered into between Company or any Company Pharmacy, and any Medicare Drug Plan Member or any Person acting on behalf of any Medicare Drug Plan Member.
- 4.9 Vaccine Administration. To the extent allowed by applicable law, Company may provide and administer vaccines that are Covered Part D Prescription Drugs when and where it is safe to dispense and administer such vaccines in a Company pharmacy ("Covered Part D Vaccines").
- (a) Representations and Warranties. In addition to the terms and conditions of the Agreement, Company represents and warrants that it, Company pharmacies, pharmacists, and any other personnel of Company or Company pharmacies that will administer Covered Part D Vaccines:
- (i) has taken measures to ensure compliance with all applicable federal, state, and local laws and that it shall comply with all standards, licensing and other requirements pertaining to the sale, distribution, prescribing, dispensing, and administration of any vaccine, including by injection, as established by any applicable government body, such as the Board of Pharmacy or other authorized entity which regulates such practices in the State in which Company does business; and
- (ii) has required and shall ensure that its pharmacists and other personnel have received applicable and proper certification, training and educational requirements mandated by any federal, state or local governmental body, agency, or as further required by Administrator or Clients pertaining to administration of any vaccines.
- (b) Vaccine Administration Fees. If applicable, the administrative fee payment to Company for the administration of Covered Part D Vaccines is specified on the Retail Pharmacy Network Compensation Exhibit attached to this Part D Addendum.
5. Compensation. In addition to the terms and conditions in Article 4 of the Pharmacy Network Agreement, Company and each Company Pharmacy shall accept the Part D Prescription Drug Compensation specified on the applicable Compensation Exhibit to this Part D Addendum less any applicable Part D Cost Sharing Amount as payment in full for the provision of all Covered Part D Prescription Drugs to Medicare Drug Plan Members. One or more Compensation Exhibits may be added hereto at any time or from time to time upon the execution of such Compensation Exhibit(s) by Administrator and Company and the effectiveness thereof. Administrator will issue, mail or otherwise transmit payment with respect to all Clean Claims submitted by Company Pharmacy (other than pharmacies that dispense drugs by mail order only or are located in or contract with a long term care facility) within fourteen (14) days of receipt of an electronically submitted Clean Claim or within thirty (30) days of receipt of a Clean Claim submitted otherwise.
- 5.1 Cost of Drugs Updates. When applicable, Administrator shall update the standard for reimbursement of Pharmacy when based on the cost of the Covered Part D Prescription Drug not less frequently than once every seven (7) days, beginning with an initial update on January 1 of each year to accurately reflect the market price of acquiring the Covered Part D Prescription Drug in accordance with 42 CFR § 423.505
- 5.2 Extending Negotiated Prices When Benefits Are Not Payable. In accordance with the requirements of the Medicare Laws and Regulations, including the requirements under 42 CFR § 423.104, Company shall ensure each Pharmacy extends Part D Prescription Drug Compensation to all Medicare Drug Plan Members purchasing Covered Part D Prescription

Drugs even if no benefits are payable to or on behalf of the Medicare Drug Plan Members for the Covered Part D Prescription Drug due to the applicability of any Part D Cost-Sharing Amount as determined by the Client's applicable Part D Benefit Plan. Company, in such situations, shall ensure that each Pharmacy shall collect no more than the Part D Prescription Drug Compensation from the Medicare Drug Plan Member.

- 5.3 Clean Claim Submission. Company shall submit a Clean Claim to Administrator whenever a respective Member's ID Card is presented or on file at Company or its Company Pharmacies for the Covered Prescription Service provided to Member, unless the Member expressly requests that a particular claim not be submitted to Administrator.

6. Compliance and Other Regulatory Requirements

- 6.1 Compliance with Law. Company agrees that it and each Pharmacy shall familiarize itself and be responsible for determining, training and complying with all laws and regulations, including but not limited to, the laws, regulations and CMS instructions applicable to Medicare Part D, Covered Part D Prescription Drugs, Medicare Drug Plan Members and Company's performance under the terms and conditions of the Part D Addendum and other any other addenda.
- 6.2 Cooperation with Administrator and Part D Client. Company shall ensure that each Pharmacy cooperates with Administrator and Part D Clients in the performance of Part D Client's obligations under Medicare Part D. Company further agrees that all services performed by Company and each Company Pharmacy shall be consistent with and shall comply with the contractual obligations imposed upon the Part D Client by CMS. Company agrees that Pharmacies shall at all times dispense Covered Part D Prescription Drugs to Medicare Drug Plan Members and furnish Covered Part D Prescription Drugs in a manner that permits the Part D Client to comply with Medicare Laws and Regulations.
- 6.3 Business Integrity. Company agrees to be bound by the provisions set forth at 2 CFR Part 376. In addition to the foregoing, Company represents and warrants that neither Company, nor any Pharmacy, pharmacist or other personnel furnishing Covered Part D Prescription Drugs to Medicare Drug Plan Members have been or will be (i) listed as debarred, excluded, or otherwise ineligible for participation in federal health care programs or (ii) convicted of a criminal felony. If at any time Company becomes aware of any violation of this representation and warranty, Company agrees to notify Administrator in writing immediately. In the event that any Pharmacy or Pharmacy personnel become debarred or ineligible for participation in a federal health care program or convicted of a criminal felony, then Company shall immediately remove it or personnel from Administrator's and Part D Client's pharmacy network and prohibit it or personnel from furnishing any Covered Part D Prescription Drugs to Medicare Drug Plan Members. If Company itself becomes debarred or ineligible or if Company has not taken the actions required of it in the preceding sentence (if and when applicable), then Administrator may terminate the Pharmacy Network Agreement and any addenda or amendments thereto immediately upon written notice to Company without liability to Administrator or any Part D Client, or take such other corrective or remedial action as warranted under the circumstances. In addition, Company and Company Pharmacies shall: (a) obtain certifications from its pharmacists, managers, officers and directors responsible for the administration or delivery of Covered Part D Prescription Drugs to sign a conflict of interest statement, attestation, or certification at the time of hire and annually thereafter certifying that the pharmacist, manager, officer or director is free from any conflict of interest in administering or delivering Part D benefits; and (b) adopt and follow a code of conduct that reflects a commitment to detecting, preventing and correcting fraud, waste and abuse in the administration or delivery of Covered Part D Prescription Drugs.
- 6.4 Accuracy of Claims and Other Data. Company acknowledges Part D Clients are obligated to comply with reporting requirements which include, but are not limited to, reporting requirements set forth in applicable Medicare Laws and Regulations relating to claims, encounter data, other health care costs, and the health of Medicare Drug Plan Members. Company acknowledges that Claims information which is submitted by Company to Administrator will be used by Part D



Clients to seek reimbursement from CMS. Company certifies that such Claims information and other data submitted by Company to Administrator is accurate and true.

- 6.5 Equal Opportunity Employer. Administrator and Part D Clients are equal opportunity employers. As such, the provisions of Executive Order 11246, as amended (Equal Opportunity/Affirmative Action), 38 USC § 4212, as amended, (Vietnam Era Veterans Readjustment Act), and Section 503 of Rehabilitation Act of 1973, as amended (Handicapped Regulations), together with the implementing regulations (found at 41 CFR §§ 60-1, 60-2, 41 CFR § 60-250, and 41 CFR § 60-741, respectively), rules guidelines and standards as from time to time are promulgated thereunder by applicable Governmental Authorities, are incorporated by reference into this Part D Addendum, and Company, on behalf of itself and the Company locations agrees to abide by the foregoing provisions that, as a contractor of these equal opportunity employers, are applicable to Company and the Company locations.
- 6.6 Other Confidentiality, Security and Accuracy Requirements. Company agrees that Company and the Company Pharmacies shall comply with all applicable laws, regulations and standards regarding the confidentiality, privacy, data security and/or transmission of personal, health or enrollment information and/or medical records (including prescription records) of the Medicare Drug Plan Members, including, but not limited to, the confidentiality, data security and data accuracy requirements established under applicable Medicare Laws and Regulations. Except as permitted or required under applicable laws and regulations (including HIPAA), neither Company nor any Company Pharmacy shall disclose, divulge, use or commercially or otherwise exploit any personal or medical information of a Medicare Drug Plan Member for any purpose or under any circumstance, even if such information has been de-identified, and shall comply with all state and federal laws and regulations in safeguarding such information.
- 6.7 Federal Policies; Flow Down Provisions. Because Company and the Company Pharmacies are furnishing Covered Part D Prescription Drugs to Medicare Drug Plan Members which are the subject of a contract between the applicable Part D Client and CMS, the following obligations are imposed upon Company and the Company Pharmacies, with which Company shall, and shall ensure that the Company Pharmacies, comply: Title VI of the Civil Rights Act of 1964, as amended (42 USC § 2000d *et seq.*); Sections 503 and 504 of the Rehabilitation Act of 1973, as amended (29 USC §§ 793 and 794); Title IX of the Education Amendments of 1972, as amended (20 USC § 1681 *et seq.*); Section 654 of the Omnibus Budget Reconciliation Act of 1981, as amended (41 USC § 9849); the Americans with Disabilities Act (42 USC § 12101 *et seq.*); and the Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq.*); the Vietnam Era Veterans Readjustment Assistant Act (38 USC § 4212); together with all applicable implementing regulations, rules guidelines and standards as from time to time are promulgated thereunder by applicable Government Authorities.
- 6.8 Fraud Waste and Abuse Compliance Training, Education and Communication. Company shall comply with applicable fraud, waste and abuse training, education and provide to Administrator certification of its compliance; and have effective lines of communication with Administrator, as may be further described in the Pharmacy Manual.

## 7 Records and Audits

- 7.1 Maintenance of Records. Company shall, and shall ensure that it and each of its Company Pharmacies, keep and maintain, in accordance with prudent business practices, accurate, complete, and timely books, records, and accounts of all transactions regarding the furnishing of Covered Part D Prescription Drugs to Medicare Drug Plan Members. Company and its Pharmacies shall retain such books and records during the term of the Pharmacy Network Agreement and for a period of at least ten (10) years after the termination of the Pharmacy Network Agreement in its entirety or for such longer period of time as required by an ongoing audit or investigation by Administrator, Part D Client, Government Authority or other person. The provisions of this Section 7.1 shall survive the expiration or earlier termination of the Pharmacy Network Agreement, this Part D Addendum, or any other addenda or amendments attached thereto for any reason whatsoever.

- 7.2 Audit. In accordance with the requirements under 42 CFR Section 423.505(i) and 423.505(i)(2), Company shall, and shall ensure that its Pharmacies directly permit Government Authorities, Administrator, Part D Clients or their designees to have the right to inspect, evaluate, and audit the facilities, offices, equipment, and make copies and receive books, records, contracts, documents, papers, and accounts relating to the Company's (and each Pharmacy's) performance of the Pharmacy Network Agreement, and any other addenda or amendment, including the dispensing of Covered Part D Prescription Drugs to Medicare Drug Plan Members, the transactions reflecting such services and/or CMS's respective contracts with Part D Clients. The right of Government Authorities, Administrator, Part D Clients or their designees to inspect, evaluate, audit receive and make copies of any of the foregoing types of information shall exist during the term of the Pharmacy Network Agreement and for a period of ten (10) years after the termination of the Pharmacy Network Agreement in its entirety and for such longer period of time as required to complete an on-going audit or investigation. The provisions of this Section 7 shall survive the expiration or earlier termination of the Pharmacy Network Agreement, this Part D Addendum, or any other addenda or amendments attached thereto, and if Company or its Pharmacies cease conducting business.

8. Miscellaneous

- 8.1 Delegation. Company shall not delegate any service, activity or other obligation required under the Agreement, as modified by this Part D Addendum (including the provision of Covered Part D Prescription Drugs by Company Pharmacies to Medicare Drug Plan Members), to an Affiliate or third party, without the prior written consent of Administrator and all applicable Clients, as may be communicated by Administrator. Any such delegation, if consented to (an "Approved Delegation"), shall be performed by the delegate in accordance with the Clients' respective contractual obligations to CMS and in accordance with Company's contractual obligations hereunder. Company agrees that any agreements of Company or any Company Pharmacy with respect to an Approved Delegation shall be in writing, signed by the parties to be bound thereby and in compliance with all applicable Medicare Laws and Regulations. In the event that a delegate of Company or a Company Pharmacy fails or is unable (for any reason whatsoever) to perform in a satisfactory manner any services, activities or other obligations which have been sub-delegated pursuant to an Approved Delegation, then Administrator, any affected Client or CMS shall have the right to suspend, revoke or terminate such Approved Delegation effective upon the date set forth in a written notice furnished to Company. Additionally, an affected Client or CMS shall have the right to institute corrective action plans or seek other remedies or curative measures respecting the unsatisfactory Approved Delegation consistent with applicable Medicare Laws and Regulations. Any attempted sub-delegation by Company or a Company Pharmacy which is not an Approved Delegation shall be null and void and of no force or effect.
- 8.2 Monitoring. Without affecting the obligations, duties and responsibilities of the Parties under the Pharmacy Network Agreement (as modified by this Part D Addendum) or the Parties' allocation of responsibilities and risks hereunder, Company acknowledges and understands that the Clients are responsible to CMS for the arrangement of Covered Part D Prescription Drugs to Medicare Drug Plan Members. In view of the foregoing, Company shall permit each Client, directly or through Administrator or its other representatives, to monitor the provision of Covered Part D Prescription Drugs to Medicare Drug Plan Members and to evaluate and audit the Company Pharmacies' performance thereof on an on-going basis, in any manner that the Clients or Administrator deem appropriate for compliance with the Clients' obligations to CMS. The rights specifically reserved for the Clients under this Section 8.2 shall not relieve Company or any Company Pharmacy from its obligations under the Pharmacy Network Agreement, as hereby amended.
- 8.3 Amendments. Without limiting in any way the generality of Section 3.13.3 of the Pharmacy Network Agreement, if CMS issues requirements, including, but not limited to the dispensing of Covered Prescription Services by long term care pharmacies to Members in long term care facilities in no greater than a specified number of days' increments (i.e. "short cycle dispensing"), Administrator may unilaterally and immediately or at a later date as determined solely by Administrator amend the Pharmacy Network Agreement (including but not limited to

this Part D Addendum) by sending a notice amendment to Company revising the applicable language of the Pharmacy Network Agreement (including but not limited to this Part D Addendum), including but not limited to the respective dispensing fee.

**END OF MEDICARE PART D ADDENDUM**

## RETAIL PHARMACY NETWORK COMPENSATION EXHIBIT TO THE MEDICARE PART D ADDENDUM

This Retail Pharmacy Network Compensation Exhibit to the Medicare Part D Addendum ("Retail Exhibit"), effective as of the noted date set forth by Administrator on the signature page hereto (the "Retail Exhibit Effective Date"), is made and entered into by Administrator and the undersigned Company, on behalf of itself and each of its Pharmacies. In exchange for participation in the Retail Network, Company agrees to the following Prescription Drug Compensation, and any other applicable requirements, as indicated below.

1. **NETWORK APPLICABILITY.** The Retail Network is strictly limited and only applicable to Clients' applicable Medicare Part D Benefit Plans. The Retail Network does not, in any manner, support any commercial or Medicaid Benefit Plans.
2. **MEDICARE PART D RETAIL PRESCRIPTION DRUG COMPENSATION.** Medicare Part D Retail Prescription Drug Compensation shall equal: the lesser of (i) Company's Usual and Customary Charge or (ii) the Submitted Cost Amount or (iii) the contracted rate defined in the chart below as "Prescription Drug Contracted Rate" or "Extended Day Supply Prescription Drug Contracted Rate" (as applicable).

PRESCRIPTION DRUG CONTRACTED RATE	
Rates for 1-34 days supply of Covered Part D Prescription Drug:	<u>Brand Name Drugs:</u> *AWP-17.5% plus a dispensing fee of \$1.25. <u>Generic Drugs:</u> Lesser of *AWP-22% plus a dispensing fee of \$1.25 or MAC plus a dispensing fee of \$1.25.

EXTENDED DAY SUPPLY PRESCRIPTION DRUG CONTRACTED RATE	
Rates for 35-90 days supply of Covered Part D Prescription Drug:	<u>Brand Name Drugs:</u> *AWP-21.5% plus a dispensing fee of \$2.00. <u>Generic Drugs:</u> Lesser of *AWP-21.5% plus a dispensing fee of \$3.00 or MAC plus a dispensing fee of \$3.00.

### MEDICARE PART D RETAIL NETWORK EXTENDED DAY SUPPLY NETWORK OPT-OUT

If Company does NOT want to participate in the Medicare Part D Retail Network Extended Day Supply Network, Company must initial and date below. As a result, by Company completing the following, it is choosing to NOT participate in any Client's Medicare Part D Retail Network Extended Day Supply Network.

COMPANY ELECTS NOT TO PARTICIPATE IN THE MEDICARE PART D RETAIL NETWORK  
EXTENDED DAY SUPPLY NETWORK

\_\_\_\_\_(INITIAL) \_\_\_\_\_(DATE)

3. **MEDICARE PART D VACCINE FEE** The Vaccine Administration Fee for the administration of Covered Part D Vaccines, as described in Section 4.9 of the Medicare Part D Addendum, shall be \$20.00 per dose.

- IN WITNESS WHEREOF, the parties have caused this Retail Exhibit to be executed by their authorized representatives as of the date written below.

Effective Date: \_\_\_\_\_



**RETAIL PHARMACY NETWORK COMPENSATION EXHIBIT TO THE MEDICARE  
PART D ADDENDUM TO THE PHARMACY NETWORK AGREEMENT**

**MPD2 NETWORK**

This Retail Pharmacy Network Compensation Exhibit for the MPD2 NETWORK ("MPD2 Network Exhibit") amends the Medicare Part D Addendum to the Pharmacy Network Agreement ("Agreement"), and is made and entered into by Administrator and the undersigned Company, on behalf of itself and each of its Pharmacies. In consideration of Company participating and providing Covered Prescription Services in the MPD2 Network, Administrator agrees to pay Company the following Prescription Drug Compensation, subject to the other terms and conditions below.

1. **NETWORK APPLICABILITY.** The MPD2 Network is strictly limited and only applicable to Clients' applicable Benefit Plans for the Medicare Part D Addendum. Therefore, the MPD2 Network does not, in any manner, support any commercial Benefit Plans or Medicaid Benefit Plans.
2. **MEDICARE PART D RETAIL PRESCRIPTION DRUG COMPENSATION.** Medicare Part D Retail Prescription Drug Compensation for the MPD2 Network shall equal: the lesser of (i) Company's Usual and Customary Charge or (ii) the Submitted Cost Amount or (iii) the contracted rate defined in the chart below as "Prescription Drug Contracted Rate" or "Extended Day Supply Prescription Drug Contracted Rate" (as applicable).

PRESCRIPTION DRUG CONTRACTED RATE		
Rates for 1-83 days supply of Covered Prescription Services:	Brand Name Drugs	AWP-14.70% plus a dispensing fee of \$0.95
	Generic Drugs	Lesser of AWP-25% plus a dispensing fee of \$1.00 or MAC plus a dispensing fee of \$1.00

EXTENDED DAY SUPPLY PRESCRIPTION DRUG CONTRACTED RATE		
Rates for 84 or greater days supply of Covered Prescription Services:	Brand Name Drugs	AWP-18.5% plus a dispensing fee of \$1.50
	Generic Drugs	Lesser of AWP-25% plus a dispensing fee of \$2.25 or MAC plus a dispensing fee of \$2.25

**MEDICARE PART D RETAIL MPD2 NETWORK EXTENDED DAY SUPPLY NETWORK OPT-OUT**

If Company does NOT want to participate in the Medicare Part D Retail MPD2 Network Extended Day Supply Network, Company must initial and date below. As a result, by Company completing the following, it is choosing to NOT participate in any Client's Medicare Part D Retail MPD2 Network Extended Day Supply Network.

COMPANY ELECTS NOT TO PARTICIPATE IN THE MEDICARE PART D MPD2 NETWORK EXTENDED DAY SUPPLY NETWORK

\_\_\_\_\_(INITIAL) \_\_\_\_\_(DATE)

3. **MEDICARE PART D VACCINE FEE.** The Vaccine Administration Fee for the administration of Covered Part D Vaccines to Members in the MPD2 Network, as described in Section 4.9 of the Medicare Part D Addendum, shall be \$20.00 per dose.
4. **TERM AND TERMINATION.** In addition to the terms and conditions of the Agreement, the following terms also apply to the term and termination of this MPD2 Network Exhibit

4.1 Term. Following the Effective Date of this MPD2 Network Exhibit as noted on the signature page hereto, the term of this MPD2 Network Exhibit shall continue through the term established in the Agreement.

4.2 Termination of this MPD2 Network Exhibit. Termination of this MPD2 Network Exhibit shall not automatically result in a termination of the Medicare Part D Addendum or the Agreement.

5. GENERAL TERMS AND CONDITIONS. Except as amended by this MPD2 Network Exhibit, Company understands and agrees that all of the terms and conditions established in the Agreement and the Medicare Part D Addendum shall apply to Covered Prescription Services provided hereunder and are hereby incorporated herein by reference. The Agreement, the Medicare Part D Addendum and this MPD2 Network Exhibit constitute the entire agreement between the parties with respect to the subject matter of this MPD2 Network Exhibit, and supersede any and all other prior and/or contemporaneous agreements, writings, and understandings.

IN WITNESS WHEREOF, the parties have caused this MPD2 Network Exhibit to be executed by their authorized representatives as of the date written below.

Company:

\_\_\_\_\_  
[INSERT COMPANY NAME]

Chain Code(s)/NCPDP # \_\_\_\_\_

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_  
(print name)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Administrator:

OptumRx, Inc (formerly known as RxSolutions,  
Inc., d/b/a Prescription Solutions)

By: \_\_\_\_\_  
(signature)

Name: Angelo Giambrone

Title: S.V.P., Industry & Network Relations

Execution Date: \_\_\_\_\_

Effective Date: The later of January 1, 2013

or \_\_\_\_\_

# **N1 NETWORK and N1-P NETWORK COMPENSATION EXHIBIT TO THE COMMERCIAL ADDENDUM AND THE MEDICAID ADDENDUM**

This N1 Network and N1-P Network Compensation Exhibit to the Commercial Addendum and the Medicaid Addendum ("N1/N1-P Exhibit"), effective as of the noted date set forth by Administrator on the signature page hereto (the "N1/N1-P Exhibit Effective Date"), is made and entered into by Administrator, and the undersigned Company, on behalf of itself and each of its Pharmacies. In exchange for participation in the N1 Network and N1-P Network, Company agrees to the following Prescription Drug Compensation, and any other applicable requirements, as indicated below.

1. **NETWORK APPLICABILITY.** The N1 Network and N1-P Network are strictly limited and only applicable to Clients' applicable Commercial and Medicaid Benefit Plans. The N1 Network and N1-P Network do not, in any manner, support any Medicare Part D Benefit Plans.
2. **PRESCRIPTION DRUG COMPENSATION.** The Prescription Drug Compensation shall equal: the lesser of (i) Company's Usual and Customary Charge or (ii) the Submitted Cost Amount or (iii) the contracted rate defined in the chart below as "Prescription Drug Contracted Rate" or "Extended Day Supply Prescription Drug Contracted Rate" (as applicable).

PRESCRIPTION DRUG CONTRACTED RATE			
Rates for 1-34 days supply of Covered Prescription Drug:	Network	N1	N1-P
	Brand Name Drugs	*AWP-17.5% plus a dispensing fee of \$1.25	AWP-14.19% plus a dispensing fee of \$1.25
	Generic Drugs	Lesser of *AWP-25% plus a dispensing fee of \$1.25 or MAC plus a dispensing fee of \$1.25	Lesser of AWP-25% plus a dispensing fee of \$1.25 or MAC plus a dispensing fee of \$1.25

EXTENDED DAY SUPPLY PRESCRIPTION DRUG CONTRACTED RATE			
Rates for 35-90 days supply of Covered Prescription Drug:	Network	N1	N1-P
	Brand Name Drugs	*AWP-20% plus a dispensing fee of \$2.00	AWP-16.75% plus a dispensing fee of \$2.00
	Generic Drugs	Lesser of *AWP-20% plus a dispensing fee of \$2.00 or MAC plus a dispensing fee of \$2.00	Lesser of AWP-20% plus a dispensing fee of \$2.00 or MAC plus a dispensing fee of \$2.00

**N1 NETWORK AND N1-P NETWORK EXTENDED DAY SUPPLY NETWORK OPT-OUT**  
If Company does NOT want to participate in the N1 Network and N1-P Network Extended Day Supply Network, Company must initial and date below. As a result, by Company completing the following, it is choosing to NOT participate in any Client's N1 Network and N1-P Network Extended Day Supply Network.

COMPANY ELECTS NOT TO PARTICIPATE IN THE N1 NETWORK AND N1-P NETWORK EXTENDED DAY SUPPLY NETWORK

\_\_\_\_\_ (INITIAL) \_\_\_\_\_ (DATE)

3. **TERM AND TERMINATION.** In addition to the terms and conditions in Article 5 of the Pharmacy Network Agreement, the following terms also apply to the term and termination of this N1/N1-P Exhibit to the Commercial Addendum and the Medicaid Addendum.
- 3.1 **Term.** Following the N1/N1-P Exhibit Effective Date, the term of this N1/N1-P Exhibit shall continue through the term established in the Pharmacy Network Agreement.
- 3.2 **Termination of this N1/N1-P Exhibit.** This N1/N1-P Exhibit may be terminated in accordance with the same notice requirements under Section 5.2 of the Pharmacy Network Agreement. Termination of this N1/N1-P Exhibit shall not automatically result in a termination of the Pharmacy Network Agreement, the Commercial Addendum or the Medicaid Addendum.
4. **GENERAL TERMS AND CONDITIONS.** Company understands and agrees that all of the terms and conditions established in the Pharmacy Network Agreement, the Commercial Addendum (solely for Commercial Benefit Plans) and the Medicaid Addendum (solely for Medicaid Benefit Plans) shall apply to Covered Prescription Services provided hereunder and are hereby incorporated herein by reference. The Pharmacy Network Agreement, the Commercial Addendum (solely for Commercial Benefit Plans), the Medicaid Addendum (solely for Medicaid Benefit Plans) and this N1/N1-P Exhibit constitute the entire agreement between the parties with respect to the subject matter of this N1/N1-P Exhibit, and supersede any and all other agreements, writings, and understandings.

IN WITNESS WHEREOF, the parties have caused this N1/N1-P Exhibit to be executed by their authorized representatives as of the date written below.

Company:

Administrator:

OptumRx, Inc.

\_\_\_\_\_  
[INSERT COMPANY NAME]

Chain Code/NCPDP # \_\_\_\_\_

By: \_\_\_\_\_  
(signature)

By:

\_\_\_\_\_  
(signature)

Name: \_\_\_\_\_  
(print name)

Name: Angelo Giambrone

Title: \_\_\_\_\_

Title: S.V.P., Industry & Network Relations

Date: \_\_\_\_\_

Execution Date: \_\_\_\_\_

Effective Date: \_\_\_\_\_

## OPTIMA NETWORK COMPENSATION EXHIBIT TO THE COMMERCIAL ADDENDUM AND THE MEDICAID ADDENDUM

This Optima Network Compensation Exhibit to the Commercial Addendum and the Medicaid Addendum ("Optima Exhibit"), effective as of the noted date set forth by Administrator on the signature page hereto (the "Optima Exhibit Effective Date"), is made and entered into by Administrator, and the undersigned Company, on behalf of itself and each of its Pharmacies. In exchange for participation in the Optima Network, Company agrees to the following Prescription Drug Compensation, and any other applicable requirements, as indicated below.

1. **NETWORK APPLICABILITY.** The Optima Network is strictly limited and only applicable to Clients' applicable Commercial and Medicaid Benefit Plans. The Optima Network does not, in any manner, support any Medicare Part D Benefit Plans.
2. **PRESCRIPTION DRUG COMPENSATION.** The Prescription Drug Compensation shall equal: the lesser of (i) Company's Usual and Customary Charge or (ii) the Submitted Cost Amount or (iii) the contracted rate defined in the chart below as "Prescription Drug Contracted Rate" or "Extended Day Supply Prescription Drug Contracted Rate" (as applicable).

PRESCRIPTION DRUG CONTRACTED RATE		
Rates for 1-34 days supply of Covered Prescription Drug:	Network	Optima
	Brand Name Drugs	*AWP-16% plus a dispensing fee of \$1.50.
	Generic Drugs	Lesser of *AWP-16% plus a dispensing fee of \$1.50 or MAC plus a dispensing fee of \$1.50

EXTENDED DAY SUPPLY PRESCRIPTION DRUG CONTRACTED RATE		
Rates for 35-90 days supply of Covered Prescription Drug:	Network	Optima
	Brand Name Drugs	*AWP-20% plus a dispensing fee of \$2.00
	Generic Drugs	Lesser of *AWP-20% plus a dispensing fee of \$2.00 or MAC plus a dispensing fee of \$2.00

### OPTIMA NETWORK EXTENDED DAY SUPPLY NETWORK OPT-OUT

If Company does NOT want to participate in the Optima Network Extended Day Supply Network, Company must initial and date below. As a result, by Company completing the following, it is choosing to NOT participate in any Client's Optima Network Extended Day Supply Network.

COMPANY ELECTS NOT TO PARTICIPATE IN THE OPTIMA NETWORK EXTENDED DAY SUPPLY NETWORK

\_\_\_\_\_ (INITIAL) \_\_\_\_\_ (DATE)

3. **TERM AND TERMINATION.** In addition to the terms and conditions in Article 5 of the Pharmacy Network Agreement, the following terms also apply to the term and termination of this Optima Exhibit to the Commercial Addendum and the Medicaid Addendum.

- 3.1 Term. Following the Optima Exhibit Effective Date, the term of this Optima Exhibit shall continue through the term established in the Pharmacy Network Agreement.
- 3.2 Termination of this Optima Exhibit. This Optima Exhibit may be terminated in accordance with the same notice requirements under Section 5.2 of the Pharmacy Network Agreement. Termination of this Optima Exhibit shall not automatically result in a termination of the Pharmacy Network Agreement, the Commercial Addendum or the Medicaid Addendum.
4. GENERAL TERMS AND CONDITIONS. Company understands and agrees that all of the terms and conditions established in the Pharmacy Network Agreement, the Commercial Addendum (solely for Commercial Benefit Plans) and the Medicaid Addendum (solely for Medicaid Benefit Plans) shall apply to Covered Prescription Services provided hereunder and are hereby incorporated herein by reference. The Pharmacy Network Agreement, the Commercial Addendum (solely for Commercial Benefit Plans), the Medicaid Addendum (solely for Medicaid Benefit Plans) and this Optima Exhibit constitute the entire agreement between the parties with respect to the subject matter of this Optima Exhibit, and supersede any and all other agreements, writings, and understandings.

IN WITNESS WHEREOF, the parties have caused this Optima Exhibit to be executed by their authorized representatives as of the date written below.

Company:

Administrator:

\_\_\_\_\_  
[INSERT COMPANY NAME]

OptumRx, Inc.

Chain Code/NCPDP # \_\_\_\_\_

By: \_\_\_\_\_  
(signature)

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_  
(print name)

Name: Angelo Giambrone

Title: \_\_\_\_\_

Title: S.V.P. Industry & Network Relations

Date: \_\_\_\_\_

Execution Date: \_\_\_\_\_

Effective Date: \_\_\_\_\_



## RXS NATIONAL NETWORK COMPENSATION EXHIBIT TO THE COMMERCIAL ADDENDUM AND THE MEDICAID ADDENDUM

This RxS National Network Compensation Exhibit to the Commercial Addendum and the Medicaid Addendum ("RxS National Exhibit"), effective as of the noted date set forth by Administrator on the signature page hereto (the "RxS National Exhibit Effective Date"), is made and entered into by Administrator, and the undersigned Company, on behalf of itself and each of its Pharmacies. In exchange for participation in the RxS National Network, Company agrees to the following Prescription Drug Compensation, and any other applicable requirements, as indicated below.

1. **NETWORK APPLICABILITY.** The RxS National Network is strictly limited and only applicable to Clients' applicable Commercial and Medicaid Benefit Plans. The RxS National Network does not, in any manner, support any Medicare Part D Benefit Plans.
2. **PRESCRIPTION DRUG COMPENSATION.** The Prescription Drug Compensation shall equal: the lesser of (i) Company's Usual and Customary Charge or (ii) the Submitted Cost Amount or (iii) the contracted rate defined in the chart below as "Prescription Drug Contracted Rate".

PRESCRIPTION DRUG CONTRACTED RATE		
Rates for 1-34 days supply of Covered Prescription Drug:	Network	RxS National
	Brand Name Drugs	*AWP-15% plus a dispensing fee of \$2.00
	Generic Drugs	Lesser of *AWP-15% plus a dispensing fee of \$2.00 or MAC plus a dispensing fee of \$2.00

3. **TERM AND TERMINATION.** In addition to the terms and conditions in Article 5 of the Pharmacy Network Agreement, the following terms also apply to the term and termination of this RxS National Exhibit to the Commercial Addendum and Medicaid Addendum.
  - 3.1 **Term.** Following the RxS National Exhibit Effective Date, the term of this RxS National Exhibit shall continue through the term established in the Pharmacy Network Agreement.
  - 3.2 **Termination of this RxS National Exhibit.** This RxS National Exhibit may be terminated in accordance with the same notice requirements under Section 5.2 of the Pharmacy Network Agreement. Termination of this RxS National Exhibit shall not automatically result in a termination of the Pharmacy Network Agreement, the Commercial Addendum or the Medicaid Addendum.
4. **GENERAL TERMS AND CONDITIONS** Company understands and agrees that: all of the terms and conditions established in the Pharmacy Network Agreement, the Commercial Addendum (solely for Commercial Benefit Plans) and the Medicaid Addendum (solely for Medicaid Benefit Plans) shall apply to Covered Prescription Services provided hereunder and are hereby incorporated herein by reference. The Pharmacy Network Agreement, the Commercial Addendum (solely for Commercial Benefit Plans), the Medicaid Addendum (solely for Medicaid Benefit Plans) and this RxS National Exhibit constitute the entire agreement between the parties with respect to the subject matter of this RxS National Exhibit, and supersede any and all other agreements, writings, and understandings

IN WITNESS WHEREOF, the parties have caused this RxS National Exhibit to be executed by their authorized representatives as of the date written below.

Company:

Administrator:

\_\_\_\_\_  
[INSERT COMPANY NAME]

OptumRx, Inc.

Chain Code/NCPDP, # \_\_\_\_\_

By: \_\_\_\_\_  
(signature)

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_  
(print name)

Name: Angelo Giambrone

Title: \_\_\_\_\_

Title: S.V.P., Industry & Network Relations

Date: \_\_\_\_\_

Execution Date: \_\_\_\_\_

Effective Date: \_\_\_\_\_

## RXS DISCOUNT NETWORK COMPENSATION EXHIBIT TO THE COMMERCIAL ADDENDUM

This RxS Discount Network Compensation Exhibit to the Commercial Addendum ("RxS Discount Exhibit"), effective as of the noted date set forth by Administrator on the signature page hereto (the "RxS Discount Exhibit Effective Date"), is made and entered into by Administrator, and the undersigned Company, on behalf of itself and each of its Pharmacies. In exchange for participation in the RxS Discount Network, Company agrees to the following Prescription Drug Compensation, and any other applicable requirements, as indicated below.

1. **NETWORK APPLICABILITY.** The RxS Discount Network is strictly limited and only applicable to Clients' applicable Commercial Benefit Plans. The RxS Discount Network does not, in any manner, support any Medicaid or Medicare Part D Benefit Plans.
2. **PRESCRIPTION DRUG COMPENSATION.** The Prescription Drug Compensation shall equal: the lesser of (i) Company's Usual and Customary Charge or (ii) the Submitted Cost Amount or (iii) the contracted rate defined in the chart below as "Prescription Drug Contracted Rate".

PRESCRIPTION DRUG CONTRACTED RATE		
Rates for 1-34 days supply of Covered Prescription Drug:	Network	RxS Discount
	Brand Name Drugs	*AWP-12% plus a dispensing fee of \$2.50
	Generic Drugs	Lesser of *AWP-12% plus a dispensing fee of \$2.50 or MAC plus a dispensing fee of \$2.50

3. **TERM AND TERMINATION.** In addition to the terms and conditions in Article 5 of the Pharmacy Network Agreement, the following terms also apply to the term and termination of this RxS Discount Exhibit to the Commercial Addendum.
  - 3.1 **Term.** Following the RxS Discount Exhibit Effective Date, the term of this RxS Discount Exhibit shall continue through the term established in the Pharmacy Network Agreement.
  - 3.2 **Termination of this RxS Discount Exhibit.** This RxS Discount Exhibit may be terminated in accordance with the same notice requirements under Section 5.2 of the Pharmacy Network Agreement. Termination of this RxS Discount Exhibit shall not automatically result in a termination of the Pharmacy Network Agreement or the Commercial Addendum.
4. **GENERAL TERMS AND CONDITIONS.** Company understands and agrees that all of the terms and conditions established in the Pharmacy Network Agreement and the Commercial Addendum shall apply to Covered Prescription Services provided hereunder and are hereby incorporated herein by reference. The Pharmacy Network Agreement, the Commercial Addendum, and this RxS Discount Exhibit constitute the entire agreement between the parties with respect to the subject matter of this RxS Discount Exhibit, and supersede any and all other agreements, writings, and understandings.

IN WITNESS WHEREOF, the parties have caused this RxS Discount Exhibit to be executed by their authorized representatives as of the date written below.

Company:

Administrator:

\_\_\_\_\_  
[INSERT COMPANY NAME]

OptumRx, Inc.

Chain Code(s)/NCPDP # \_\_\_\_\_

By: \_\_\_\_\_  
(signature)

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_  
(print name)

Name: Angelo Giambrone

Title: \_\_\_\_\_

Title: S.V.P., Industry & Network Relations

Date: \_\_\_\_\_

Execution Date: \_\_\_\_\_

Effective Date: \_\_\_\_\_

**OPTUMRX N2 BROAD NETWORK COMPENSATION EXHIBIT  
TO THE COMMERCIAL ADDENDUM AND THE MEDICAID ADDENDUM TO THE  
PHARMACY NETWORK AGREEMENT**

This OptumRX N2 Broad Network Compensation Exhibit ("N2 Exhibit") amends the Commercial Addendum and the Medicaid Addendum to the Pharmacy Network Agreement ("Agreement") and is made and entered into by Administrator, and the undersigned Company, on behalf of itself and each of its Pharmacies. In consideration of Company participating and providing Covered Prescription Services in the OptumRX N2 Broad Network ("N2 Network"), Administrator agrees to pay Company the following Prescription Drug Compensation, subject to the other terms and conditions below.

1. **NETWORK APPLICABILITY.** The N2 Network is strictly limited and only applicable to Clients' applicable Benefit Plans for the respective Commercial Addendum and Medicaid Addendum. Therefore, the N2 Network does not, in any manner, support any Client Medicare Part D Benefit Plans.
  
2. **PRESCRIPTION DRUG COMPENSATION.** The Prescription Drug Compensation shall equal: the lesser of (i) Company's Usual and Customary Charge or (ii) the Submitted Cost Amount or (iii) the contracted rate defined in the chart below as "Prescription Drug Contracted Rate".

PRESCRIPTION DRUG CONTRACTED RATE			
Effective July 1, 2012 through June 30, 2013	Rates for 1-83 days supply of Covered Prescription Services:	Brand Name Drugs	AWP-14.8% plus a dispensing fee of \$1.25
		Generic Drugs	Lesser of AWP-25% plus a dispensing fee of \$1.35 or MAC plus a dispensing fee of \$1.35

PRESCRIPTION DRUG CONTRACTED RATE			
Effective July 1, 2013 through June 30, 2014	Rates for 1-83 days supply of Covered Prescription Services:	Brand Name Drugs	AWP-14.85% plus a dispensing fee of \$1.25
		Generic Drugs	Lesser of AWP-25% plus a dispensing fee of \$1.35 or MAC plus a dispensing fee of \$1.35

PRESCRIPTION DRUG CONTRACTED RATE			
Effective as of July 1, 2014	Rates for 1-83 days supply of Covered Prescription Services:	Brand Name Drugs	AWP-14.90% plus a dispensing fee of \$1.25
		Generic Drugs	Lesser of AWP-25% plus a dispensing fee of \$1.35 or MAC plus a dispensing fee of \$1.35

3. **TERM AND TERMINATION.** In addition to the terms and conditions of the Agreement, the following terms also apply to the term and termination of this N2 Exhibit.

- 3.1 **Term.** Following the Effective Date of this N2 Exhibit, as noted on the signature page hereto, the term of this N2 Exhibit shall continue through the term established in the Agreement

3.2 Termination of this N2 Exhibit. Termination of this N2 Exhibit shall not automatically result in a termination of the Agreement, the Commercial Addendum or the Medicaid Addendum.

4. GENERAL TERMS AND CONDITIONS. Except as amended by this N2 Exhibit, Company understands and agrees that all of the terms and conditions established in the Agreement, the Commercial Addendum (solely for such applicable Benefit Plans) and the Medicaid Addendum (solely for such applicable Benefit Plans) shall apply to Covered Prescription Services provided hereunder and are hereby incorporated herein by reference. The Agreement, the Commercial Addendum, the Medicaid Addendum and this N2 Exhibit constitute the entire agreement between the parties with respect to the subject matter of this N2 Exhibit, and supersede any and all other prior and/or contemporaneous agreements, writings, and understandings.

IN WITNESS WHEREOF, the parties have caused this N2 Exhibit to be executed by their authorized representatives as of the date written below.

Company:

Administrator:

\_\_\_\_\_  
[INSERT COMPANY NAME]

OptumRx, Inc.

Chain Code/NCPDP # \_\_\_\_\_

By: \_\_\_\_\_  
(signature)

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_  
(print name)

Name: Angelo Giambrone

Title: \_\_\_\_\_

Title: S.V.P., Industry & Network Relations

Date: \_\_\_\_\_

Execution Date: \_\_\_\_\_

Effective Date: \_\_\_\_\_



**OPTUMRX EDS2 ("EDS2") NETWORK COMPENSATION EXHIBIT TO THE  
COMMERCIAL ADDENDUM AND THE MEDICAID ADDENDUM TO THE  
PHARMACY NETWORK AGREEMENT**

This OptumRx EDS2 ("EDS2") Network Compensation Exhibit ("EDS2 Exhibit") amends the Commercial Addendum and the Medicaid Addendum to the Pharmacy Network Agreement ("Agreement") and is made and entered into by Administrator, and the undersigned Company, on behalf of itself and each of its Pharmacies. In consideration of Company participating and providing Covered Prescription Services in the EDS2 Network, Administrator agrees to pay Company the following Prescription Drug Compensation, subject to the other terms and conditions below.

1. **NETWORK APPLICABILITY.** The EDS2 Network is strictly limited and only applicable to Clients' applicable Benefit Plans for the respective Commercial Addendum and Medicaid Addendum. Therefore, the EDS2 Network does not, in any manner, support any Client Medicare Part D Benefit Plans.
2. **PRESCRIPTION DRUG COMPENSATION.** The Prescription Drug Compensation shall equal: the lesser of (i) Company's Usual and Customary Charge or (ii) the Submitted Cost Amount or (iii) the contracted rate defined in the chart below as "Extended Day Supply Prescription Drug Contracted Rate".

EXTENDED DAY SUPPLY PRESCRIPTION DRUG CONTRACTED RATE			
Effective July 1, 2012 through June 30, 2013	Rates for 84 or greater days supply of Covered Prescription Services:	Brand Name Drugs	AWP-18.5% plus a dispensing fee of \$2.00
		Generic Drugs	Lesser of AWP-25% plus a dispensing fee of \$2.00 or MAC plus a dispensing fee of \$2.00

EXTENDED DAY SUPPLY PRESCRIPTION DRUG CONTRACTED RATE			
Effective July 1, 2013 through June 30, 2014	Rates for 84 or greater days supply of Covered Prescription Services:	Brand Name Drugs	AWP-18.6% plus a dispensing fee of \$2.00
		Generic Drugs	Lesser of AWP-25% plus a dispensing fee of \$2.00 or MAC plus a dispensing fee of \$2.00

EXTENDED DAY SUPPLY PRESCRIPTION DRUG CONTRACTED RATE			
Effective as of July 1, 2014	Rates for 84 or greater days supply of Covered Prescription Services:	Brand Name Drugs	AWP-18.75% plus a dispensing fee of \$2.00
		Generic Drugs	Lesser of AWP-25% plus a dispensing fee of \$2.00 or MAC plus a dispensing fee of \$2.00

3. **TERM AND TERMINATION.** In addition to the terms and conditions of the Agreement, the following terms also apply to the term and termination of this EDS2 Exhibit.
  - 3.1 **Term.** Following the Effective Date of this EDS2 Exhibit, as noted on the signature page hereto, the term of this EDS2 Exhibit shall continue through the term established in the Agreement.

3.2 Termination of this EDS2 Exhibit. Termination of this EDS2 Exhibit shall not automatically result in a termination of the Agreement, the Commercial Addendum or the Medicaid Addendum.

4. GENERAL TERMS AND CONDITIONS. Except as amended by this EDS2 Exhibit, Company understands and agrees that all of the terms and conditions established in the Agreement, the Commercial Addendum (solely for such applicable Benefit Plans) and the Medicaid Addendum (solely for such Benefit Plans) shall apply to Covered Prescription Services provided hereunder and are hereby incorporated herein by reference. The Agreement, the Commercial Addendum, the Medicaid Addendum, and this EDS2 Exhibit constitute the entire agreement between the parties with respect to the subject matter of this EDS2 Exhibit, and supersede any and all other prior and/or contemporaneous agreements, writings, and understandings.

IN WITNESS WHEREOF, the parties have caused this EDS2 Exhibit to be executed by their authorized representatives as of the date written below.

Company:

Administrator:

\_\_\_\_\_  
[INSERT COMPANY NAME]

OptumRx, Inc.

Chain Code/NCPDP # \_\_\_\_\_

By: \_\_\_\_\_  
(signature)

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_  
(print name)

Name: Angelo Giambone

Title: \_\_\_\_\_

Title: S.V.P., Industry & Network Relations

Date: \_\_\_\_\_

Execution Date: \_\_\_\_\_

Effective Date: \_\_\_\_\_

# **OPTUMRX Z1 BROAD NETWORK COMPENSATION EXHIBIT TO THE COMMERCIAL ADDENDUM TO THE PHARMACY NETWORK AGREEMENT**

This OptumRX Z1 Broad Network Compensation Exhibit ("Z1 Exhibit") amends the Commercial Addendum to the Pharmacy Network Agreement ("Agreement") and is made and entered into by Administrator, and the undersigned Company, on behalf of itself and each of its Pharmacies. In consideration of Company participating and providing Covered Prescription Services in the OptumRX Z1 Broad Network ("Z1 Network"), Administrator agrees to pay Company the following Prescription Drug Compensation, subject to the other terms and conditions below.

1. **NETWORK APPLICABILITY.** The Z1 Network is strictly limited and only applicable to Clients' applicable Benefit Plans for the respective Commercial Addendum. Therefore, the Z1 Network does not, in any manner, support any Client Medicaid Benefit Plans or Medicare Part D Benefit Plans.
2. **PRESCRIPTION DRUG COMPENSATION.** The Prescription Drug Compensation shall equal: the lesser of (i) Company's Usual and Customary Charge or (ii) the Submitted Cost Amount or (iii) the contracted rate defined in the chart below as "Prescription Drug Contracted Rate".

PRESCRIPTION DRUG CONTRACTED RATE			
Effective July 1, 2012 through June 30, 2013	Rates for 1-83 days supply of Covered Prescription Services:	Brand Name Drugs	AWP-14.95% plus a dispensing fee of \$0.75
		Generic Drugs	Lesser of AWP-25% plus a dispensing fee of \$0.85 or MAC plus a dispensing fee of \$0.85

PRESCRIPTION DRUG CONTRACTED RATE			
Effective July 1, 2013 through June 30, 2014	Rates for 1-83 days supply of Covered Prescription Services:	Brand Name Drugs	AWP-15.0% plus a dispensing fee of \$0.75
		Generic Drugs	Lesser of AWP-25% plus a dispensing fee of \$0.85 or MAC plus a dispensing fee of \$0.85

PRESCRIPTION DRUG CONTRACTED RATE			
Effective as of July 1, 2014	Rates for 1-83 days supply of Covered Prescription Services:	Brand Name Drugs	AWP-15.05% plus a dispensing fee of \$0.75
		Generic Drugs	Lesser of AWP-25% plus a dispensing fee of \$0.85 or MAC plus a dispensing fee of \$0.85

3. **TERM AND TERMINATION.** In addition to the terms and conditions of the Agreement, the following terms also apply to the term and termination of this Z1 Exhibit.
  - 3.1 **Term.** Following the Effective Date of this Z1 Exhibit, as noted on the signature page hereto, the term of this Z1 Exhibit shall continue through the term established in the Agreement.
  - 3.2 **Termination of this Z1 Exhibit.** Termination of this Z1 Exhibit shall not automatically result in a termination of the Agreement or the Commercial Addendum.
4. **GENERAL TERMS AND CONDITIONS.** Except as amended by this Z1 Exhibit, Company understands and agrees that all of the terms and conditions established in the Agreement

and the Commercial Addendum (solely for such applicable Benefit Plans) shall apply to Covered Prescription Services provided hereunder and are hereby incorporated herein by reference. The Agreement, the Commercial Addendum, and this Z1 Exhibit constitute the entire agreement between the parties with respect to the subject matter of this Z1 Exhibit, and supersede any and all other prior and/or contemporaneous agreements, writings, and understandings.

5. **ZERO BALANCE PRICING LOGIC.** When the Prescription Drug Contracted Rate listed above for a particular Covered Prescription Service is less than the applicable copayment, Company's compensation in full for the provision of such Covered Prescription Service shall be the lesser of: (i) the applicable copayment or (ii) the Pharmacy's applicable Usual and Customary Charge. The preceding sentence shall apply only to flat or fixed-dollar-amount copayments.

IN WITNESS WHEREOF, the parties have caused this Z1 Exhibit to be executed by their authorized representatives as of the date written below.

Company:

Administrator:

\_\_\_\_\_  
[INSERT COMPANY NAME]

OptumRx, Inc.

Chain Code/NCPDP # \_\_\_\_\_

By: \_\_\_\_\_  
(signature)

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_  
(print name)

Name: Angelo Giambrone

Title: \_\_\_\_\_

Title: S.V.P., Industry & Network Relations

Date: \_\_\_\_\_

Execution Date: \_\_\_\_\_

Effective Date: \_\_\_\_\_

## OPTUMRX EDS1 ("EDS1") NETWORK COMPENSATION EXHIBIT TO THE COMMERCIAL ADDENDUM TO THE PHARMACY NETWORK AGREEMENT

This OptumRx EDS1 ("EDS1") Network Compensation Exhibit ("EDS1 Exhibit") amends the Commercial Addendum to the Pharmacy Network Agreement ("Agreement") and is made and entered into by Administrator, and the undersigned Company, on behalf of itself and each of its Pharmacies. In consideration of Company participating and providing Covered Prescription Services in the EDS1 Network, Administrator agrees to pay Company the following Prescription Drug Compensation, subject to the other terms and conditions below.

1. **NETWORK APPLICABILITY.** The EDS1 Network is strictly limited and only applicable to Clients' applicable Benefit Plans for the respective Commercial Addendum. Therefore, the EDS1 Network does not, in any manner, support any Client Medicaid or Medicare Part D Benefit Plans.
2. **PRESCRIPTION DRUG COMPENSATION.** The Prescription Drug Compensation shall equal: the lesser of (i) Company's Usual and Customary Charge or (ii) the Submitted Cost Amount or (iii) the contracted rate defined in the chart below as "Extended Day Supply Prescription Drug Contracted Rate".

EXTENDED DAY SUPPLY PRESCRIPTION DRUG CONTRACTED RATE			
Effective July 1, 2012 through June 30, 2013	Rates for 84 or greater days supply of Covered Prescription Services:	Brand Name Drugs	AWP-18.5% plus a dispensing fee of \$1.00
		Generic Drugs	Lesser of AWP-25% plus a dispensing fee of \$1.00 or MAC plus a dispensing fee of \$1.00

EXTENDED DAY SUPPLY PRESCRIPTION DRUG CONTRACTED RATE			
Effective July 1, 2013 through June 30, 2014	Rates for 84 or greater days supply of Covered Prescription Services:	Brand Name Drugs	AWP-18.6% plus a dispensing fee of \$1.00
		Generic Drugs	Lesser of AWP-25% plus a dispensing fee of \$1.00 or MAC plus a dispensing fee of \$1.00

EXTENDED DAY SUPPLY PRESCRIPTION DRUG CONTRACTED RATE			
Effective as of July 1, 2014	Rates for 84 or greater days supply of Covered Prescription Services:	Brand Name Drugs	AWP-18.75% plus a dispensing fee of \$1.00
		Generic Drugs	Lesser of AWP-25% plus a dispensing fee of \$1.00 or MAC plus a dispensing fee of \$1.00

3. **TERM AND TERMINATION.** In addition to the terms and conditions of the Agreement, the following terms also apply to the term and termination of this EDS1 Exhibit.
  - 3.1 **Term.** Following the Effective Date of this EDS1 Exhibit, as noted on the signature page hereto, the term of this EDS1 Exhibit shall continue through the term established in the Agreement.
  - 3.2 **Termination of this EDS1 Exhibit.** Termination of this EDS1 Exhibit shall not automatically result in a termination of the Agreement or the Commercial Addendum.

4. GENERAL TERMS AND CONDITIONS. Except as amended by this EDS1 Exhibit, Company understands and agrees that all of the terms and conditions established in the Agreement and the Commercial Addendum (solely for such applicable Benefit Plans) shall apply to Covered Prescription Services provided hereunder and are hereby incorporated herein by reference. The Agreement, the Commercial Addendum, and this EDS1 Exhibit constitute the entire agreement between the parties with respect to the subject matter of this EDS1 Exhibit, and supersede any and all other prior and/or contemporaneous agreements, writings, and understandings.
5. ZERO-BALANCE PRICING LOGIC. When the Prescription Drug Contracted Rate listed above for a particular Covered Prescription Service is less than the applicable copayment, Company's compensation in full for the provision of such Covered Prescription Service shall be the lesser of: (i) the applicable copayment or (ii) the Pharmacy's applicable Usual and Customary Charge. The preceding sentence shall apply only to flat or fixed-dollar-amount copayments.

IN WITNESS WHEREOF, the parties have caused this EDS1 Exhibit to be executed by their authorized representatives as of the date written below.

Company:

Administrator:

\_\_\_\_\_  
[INSERT COMPANY NAME]

OptumRx, Inc.

Chain Code/NCPDP # \_\_\_\_\_

By: \_\_\_\_\_  
(signature)

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_  
(print name)

Name: Angelo Giambrone

Title: \_\_\_\_\_

Title: S.V.P., Industry & Network Relations

Date: \_\_\_\_\_

Execution Date: \_\_\_\_\_

Effective Date: \_\_\_\_\_





## \*\*\*\*\*Attention\*\*\*\*\*

### Credentialing Information Required

Contract cannot be implemented without the following documents:

#### Copies of the following license(s):

- Pharmacy License
  - *Not to expire within 30 days*
- Pharmacist in Charge (PIC) License
  - *Not to expire within 30 days*
- DEA
  - *Not to expire within 30 days*

#### Copies of the following:

- Wholesaler Invoice
  - *Must include DEA and/or State License Number & legend drug on order*
- Insurance Coverage – minimum \$1million occurrence/ \$3million annual aggregate
  - *Valid Insurance Certificate*
- Processing Time: The processing of the contract documents and implementation of the agreement may take up to 15 business days to complete once received.
- Delays will occur if contract documents are not completed and/or required credentialing information is not supplied. The processing time is subject to change without notice.

Please contact the OptumRx Pharmacy Credentialing Team at 800-613-3591, option 5 should you have any questions.



## Independent Pharmacy Credentialing Application

### Section A: Pharmacy Information

NPI #: \_\_\_\_\_ NCPDP #: \_\_\_\_\_

(DBA Name): \_\_\_\_\_

Corporate Name: \_\_\_\_\_

Street Address: \_\_\_\_\_ County: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone #: \_\_\_\_\_ Fax #: \_\_\_\_\_

State Tax ID: \_\_\_\_\_ Website Address: \_\_\_\_\_

Federal Tax ID: \_\_\_\_\_ Medi-Cal # (CA Only): \_\_\_\_\_

Medicaid #: \_\_\_\_\_ Medicare #: \_\_\_\_\_

Other than the current name listed above, has pharmacy operated under any other trade or business name? ☐ Yes ☐ No  
If yes, please provide details and name(s): \_\_\_\_\_

DEA #: \_\_\_\_\_ DEA Exp Date: \_\_\_\_\_  
*Please include copy of certificate*

State License #: \_\_\_\_\_ State License Exp Date: \_\_\_\_\_  
*Please include copy of certificate*

North Carolina Pharmacies: Please include current provider license, registration, or certification, and the names of other states where the applicant is or has been licensed, registered, or certified (Please provide copies of the state licenses).

Payment Type: Source of Payment ☐ Check ☐ EFT  
\* For EFT set-up, please complete the information located on our website at [www.optumrx.com/healthcareprofessionals/eft](http://www.optumrx.com/healthcareprofessionals/eft).

Mailing Address if Different (This address will also be used as the pharmacy's payment address)  
If mailing address is the same as the store address, check here: ☐

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone #: \_\_\_\_\_ Fax #: \_\_\_\_\_

Wholesaler Information: (Please provide copy of the invoice)

☐ Amerisource Bergen ☐ Cardinal ☐ McKesson ☐ Other \_\_\_\_\_

Business Types (Check all that apply):

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Clinic                       | <input type="checkbox"/> Closed-Door           | <input type="checkbox"/> Community Pharmacy                       |
| <input type="checkbox"/> Dispensing Physician         | <input type="checkbox"/> Governmental Pharmacy | <input type="checkbox"/> Home Infusion                            |
| <input type="checkbox"/> Institutional Pharmacy       | <input type="checkbox"/> Internet Pharmacy     | <input type="checkbox"/> Indian Health/Tribal/Urban Indian Health |
| <input type="checkbox"/> Long Term Care               | <input type="checkbox"/> Mail Order Pharmacy   | <input type="checkbox"/> Specialty Pharmacy                       |
| <input type="checkbox"/> Unit dose packaging          | <input type="checkbox"/> FQHC                  | <input type="checkbox"/> Grocery Store                            |
| <input type="checkbox"/> Other: Please Specify: _____ |  |   |

Language Spoken by Staff (Check all that apply):

Does the staff speak English? ☐ Yes ☐ No

Other Languages: ☐ Spanish ☐ French ☐ Russian ☐ Korean ☐ Chinese ☐ Other: \_\_\_\_\_

Pharmacy Hours:

24- Hour service? ☐ Yes ☐ No

Monday – Friday: \_\_\_\_\_ AM to \_\_\_\_\_ PM

Saturday: \_\_\_\_\_ AM to \_\_\_\_\_ PM

Sunday: \_\_\_\_\_ AM to \_\_\_\_\_ PM

Pharmacy System Information:

Software Vendor: \_\_\_\_\_

Does your pharmacy have Internet Access?

☐ Yes ☐ No

Does your pharmacy currently use a third party reconciliation service?

☐ Yes ☐ No If so, who? \_\_\_\_\_

Does your pharmacy have e-Prescribing capabilities?

☐ Yes ☐ No

Services and Programs (Check all that apply):

Service/Program:

- ☐ Compliance Program
- ☐ Medical Literature:
- ☐ Drug Interaction Monitoring:
- ☐ Blood Pressure Machine:
- ☐ Blood Pressure Screening:
- ☐ Health Care Screenings:
- ☐ Delivery:
- ☐ Automatic Dispensing Units:

Service/Program:

- ☐ Accept Electronic Prescriptions
- ☐ Website for Refills
- ☐ Drive Thru Service
- ☐ Handicap Accessible
- ☐ Patient Counseling
- ☐ Patient Consultation area:
  - ☐ Private ☐ Semi Private
- ☐ Other: \_\_\_\_\_

**Section B: Pharmacist-in-Charge (PIC) Information**

Pharmacist-in-Charge Name: \_\_\_\_\_  
First Middle Last

Home Address: \_\_\_\_\_

Date of Birth: \_\_\_\_/\_\_\_\_/\_\_\_\_ Pharmacist NPI # (if applicable): \_\_\_\_\_

License #: \_\_\_\_\_ State \_\_\_\_\_ Expiration Date: \_\_\_\_\_

**Section C: Ownership Information (List all that apply. Include additional pharmacies on a separate sheet of paper)**

Pharmacy Majority Owner Name: \_\_\_\_\_  
First Middle Last

List the pharmacies above owner or a family member currently owns, in full or part, or owned within the past five (5) years:

NPI #: \_\_\_\_\_ NCPDP #: \_\_\_\_\_

(DBA Name): \_\_\_\_\_

Corporate Name: \_\_\_\_\_

Dates of ownership: \_\_\_\_/\_\_\_\_/\_\_\_\_ to \_\_\_\_/\_\_\_\_/\_\_\_\_

**Section D: Pharmacy Liability Insurance Policy Information (please include copy of coverage)**

Carrier: \_\_\_\_\_ Policy# \_\_\_\_\_

Agent: \_\_\_\_\_ Agent Phone #: \_\_\_\_\_ Agent Fax #: \_\_\_\_\_

Amount per Occurrence: \_\_\_\_\_ Aggregate: \_\_\_\_\_  
(minimum requirement is \$1 million) (minimum requirement is \$3 million) Expiration Date: \_\_\_\_\_

Are the store pharmacists covered under this policy? ☐ Yes ☐ No

Pharmacist in Charge: \_\_\_\_\_ License #: \_\_\_\_\_ Expiration Date: \_\_\_\_\_

Pharmacist: \_\_\_\_\_ License #: \_\_\_\_\_ Expiration Date: \_\_\_\_\_

Licensed Tech: \_\_\_\_\_ License #: \_\_\_\_\_ Expiration Date: \_\_\_\_\_

*Please list additional names of pharmacists or licensed techs on a separate sheet of paper. If pharmacists are licensed in different states, please list which states.*

**Section E: Compounding Pharmacy ☐ Yes ☐ No (If No, please disregard this section)**

☐ Clean Room ☐ Oven ☐ Hood ☐ PCCA Member

**Section F: Long Term Care (LTC) ☐ Yes ☐ No (If No, please disregard this section)**

Which types of LTC facilities do you service: ☐ Skilled nursing facilities ☐ Assisted Living Facilities

Your pharmacy service: ☐ Medicare members ☐ Non-Medicare Members ☐ Both Medicare and Non-Medicare members

Does your pharmacy belong to a GPO? ☐ Yes ☐ No If Yes, which GPO? \_\_\_\_\_

**Section G: Home Infusion ☐ Yes ☐ No (If No, please disregard this section)**

Is your pharmacy Accredited, certified and/or licensed for sterile compounding? ☐ Yes ☐ No

If Yes, by what organization? \_\_\_\_\_ (please provide copies).

**Section H: 340(B) Certification**

Company hereby certifies that as of the Effective Date of this Application hereof that Company:

\_\_\_\_\_  
[PLEASE INITIAL] is a provider for and is eligible to distribute Drug Products under the Public Health Service Act, Section 340(B).

- OR -

\_\_\_\_\_  
[PLEASE INITIAL] is not a provider for and is not eligible to distribute Drug Products under the Public Health Service Act, Section 340(B).

If Company is not eligible to distribute Drug Products under the Public Health Service Act, Section 340(B), to the extent that Company, during the term or any renewal term of this Agreement, becomes eligible to distribute Drug Products under the Public Health Service Act, Section 340(B) program, Company shall immediately provide Administrator with written notice of such eligibility. The parties acknowledge and agree that Administrator shall be entitled to modify the rates, fees and other reimbursements offered to Company hereunder, upon Administrator's written notice to Company, to the extent that Company becomes eligible to distribute Drug Products under the Public Health Service Act, Section 340(B) program. Failure of Company to notify Administrator of its 340(B) eligibility as stated above shall constitute a material breach of this Agreement.

☐ Yes ☐ No If 340B Covered Entity, do you segregate your inventory?

**Section I: General Questions:**

(If providing explanation, please attach additional pages/documents as needed)

☐ Yes ☐ No Is your pharmacy currently affiliated with another chain code through NCPDP?

If Yes, name of affiliation \_\_\_\_\_

☐ Yes ☐ No Is your pharmacy certified as: (Check all that apply)

☐ Women Business Enterprise ☐ Minority Business Enterprise ☐ Small Business Enterprise

If Yes, please provide a copy of certification.

☐ Yes ☐ No Is your pharmacy currently participating in a franchise? If Yes, name of franchise: \_\_\_\_\_

☐ Yes ☐ No Does your pharmacy mail prescriptions? If Yes, explain \_\_\_\_\_

☐ Yes ☐ No Is your pharmacy currently open for business? If No, expected opening date: \_\_\_\_\_

☐ Yes ☐ No Is your pharmacy currently in good standing with the State Board of Pharmacy and/or other federal or state licensing authorities? If No, please provide a letter of explanation and include the dates.

☐ Yes ☐ No Has your pharmacy ever been denied a license or permit or had its license or permit suspended, revoked or had other disciplinary action by the State Board of Pharmacy or other federal or state licensing or regulatory authorities? If Yes, please provide a letter of explanation and include the dates.

☐ Yes ☐ No Under current ownership, has this pharmacy, or any of its principals, ever filed for bankruptcy or reorganization?

☐ Yes ☐ No Has the pharmacy or any of its present owners, officers, or employees ever been convicted of state or federal drug or pharmacy service related law convictions? If Yes, please explain: \_\_\_\_\_

☐ Yes ☐ No Are you or pharmacy under any restriction of practice imposed by any State Board of Pharmacy? If Yes, please explain: \_\_\_\_\_

☐ Yes ☐ No Do you have a written policy to actively review business operations and finance to minimize potential fraud waste and abuse? If No, please explain: \_\_\_\_\_

☐ Yes ☐ No Is the pharmacy located in a rural area?

☐ Yes ☐ No Has pharmacy previously been suspended, terminated or excluded from Administrator's network in the past five (5) years for failing to adhere to the terms of this Agreement or any prior or subsequent agreements with Administrator or Administrator's successor?

☐ Yes ☐ No Does Company regularly monitor and provide oversight of the operations at each of its Pharmacies and their pharmacists and maintains a credentialing program for itself and each of its Pharmacies?

☐ Yes ☐ No To the best of Company's knowledge, has or will Company, any Pharmacy location (including pharmacies currently in the network and new pharmacies included in the network after execution of this Agreement), pharmacist, subcontractor, or other personnel furnishing (or which will furnish) Covered Prescription Services to Members, been or be (i) listed as debarred, excluded, or otherwise ineligible for participation in federal health care programs or (ii) convicted of a criminal felony?

If Yes, please explain: \_\_\_\_\_

Please Indicate: What is the most recent date your pharmacy was inspected by any State Board of Pharmacy?  
\_\_\_\_\_ Month \_\_\_\_\_ Year

The undersigned hereby authorizes OptumRx and its designated agents to review any and all records that it reasonably believes necessary for credentialing purposes.

Signature of Authorized Pharmacy Representative.

I certify, represent and warrant that any and all information provided to each of the items related to this credentialing form and in connection with the credentialing process, is true, accurate and complete and it has not failed to state any facts or provide any documents that may be material to OptumRx in connection with its credentialing process.

Signature \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_